

Regular Session, 2010

HOUSE BILL NO. 244

BY REPRESENTATIVE KLECKLEY

INSURANCE/HEALTH-ACCID: Provides relative to health insurance coverage for dependent children

1 AN ACT

2 To amend and reenact R.S. 22:1000(A)(1)(a)(vi) and (2) and 1003, to enact R.S. 22:1003.1,
3 and to repeal R.S. 22:1002, relative to dependent health insurance coverage for
4 children or grandchildren; to provide for such coverage up to the age of twenty-six;
5 to delete the requirement for full-time student status; to delete the requirement for
6 unmarried status; to provide for exceptions; to set certain requirements and
7 restrictions for health insurance issuers and health maintenance organizations in
8 providing such coverage; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 22:1000(A)(1)(a)(vi) and (2) and 1003 are hereby amended and
11 reenacted and R.S. 22:1003.1 is hereby enacted to read as follows:

12 §1000. Group, family group, blanket, and association health and accident insurance

13 A.

14 * * *

15 (1) Group health and accident insurance is any policy of health and accident
16 insurance, or similar coverage issued by a health maintenance organization, covering
17 more than one person, except family group, and blanket policies hereinafter
18 specifically provided for, which shall conform to the following requirements:

19 (a)

20 * * *

1 (vi) The policy may be issued to an employer, association, or to the trustees
2 of a fund established by two or more employers in the same industry or by one or
3 more labor unions, or by one or more employers and one or more labor unions, or to
4 a multiple employer trust established by an insurer on behalf of participating
5 employers, provided all participating employers and employees have the same
6 statutory protections that would apply if such policy was purchased by the employer
7 directly from the insurer, which trustees shall be deemed the policyholder, to insure
8 with or without any eligible family members including spouse, ~~unmarried~~ children
9 ~~under twenty-one years of age, and unmarried~~ through the age of twenty-six and
10 grandchildren who are in the legal custody of and residing with the grandparent
11 ~~under twenty-one years of age, through the age of twenty-six pursuant to R.S.~~
12 22:1003 and 1003.1, employees of the employers or members of the association or
13 of the unions for the benefit of persons other than the employers or the unions.

* * *

15 ~~(2)(a) Except as provided in Subparagraph (b) of this Paragraph, family~~
16 Family group health and accident insurance or similar coverage issued by a health
17 maintenance organization is an individual policy covering any one person, with or
18 without any eligible members, including spouse and ~~unmarried~~ children ~~under~~
19 ~~twenty-one years of age or, in the case of full-time students, unmarried children~~
20 ~~under~~ through the age of twenty-four, twenty-six and ~~unmarried~~ grandchildren ~~under~~
21 ~~twenty-one years of age in the legal custody of and residing with the grandparent or,~~
22 ~~in the case of full-time students, unmarried grandchildren under~~ through the age of
23 ~~twenty-four~~ twenty-six who are in the legal custody of and residing with the
24 grandparent; pursuant to R.S. 22:1003 and 1003.1, except that the policy may
25 provide for continuing coverage for any ~~unmarried~~ child or grandchild in the legal
26 custody of and residing with the grandparent who is incapable of self-sustaining
27 employment by reason of mental retardation or physical handicap, who became so
28 incapable prior to attainment of age ~~twenty-one, twenty-six~~, and any other person
29 dependent upon the policyholder, written under a master policy issued to the head

1 of such family. The policy shall contain a provision that the policy, and the
2 application of the head of the family if attached thereto, shall constitute the entire
3 contract between the parties.

4 ~~(b) Every family group health and accident insurance policy or health~~
5 ~~maintenance organization subscriber agreement which provides coverage, pursuant~~
6 ~~to Subparagraph (a) of this Paragraph, to a policyholder's unmarried children under~~
7 ~~the age of twenty-four who are full-time students or the policyholder's unmarried~~
8 ~~grandchildren in the legal custody of and residing with the policyholder who are full-~~
9 ~~time students under the age of twenty-four shall continue coverage under such policy~~
10 ~~if such child or grandchild develops a mental or nervous condition, problem, or~~
11 ~~disorder which, in the opinion of a qualified psychiatrist, subject, if deemed~~
12 ~~necessary by the insurer or health maintenance organization, to a second opinion,~~
13 ~~prevents the unmarried child or grandchild from attending school as a full-time~~
14 ~~student and from holding self-sustaining employment provided the child or~~
15 ~~grandchild is under the age of twenty-four.~~

16 * * *

17 §1003. Coverage of ~~unmarried students~~ children for group and individual health and
18 accident insurance; exception

19 A.(1) ~~Except as provided in Paragraph (2) of this Subsection, students who~~
20 ~~are unmarried children~~ Children, including a grandchild in the legal custody of and
21 residing with a grandparent, who have not yet attained through the age of twenty-
22 four twenty-six and who are enrolled as full-time students at an accredited college
23 or university, or at a vocational, technical, vocational-technical or trade school or
24 institute, or secondary school, and who are dependent upon the primary insured
25 under any group health and accident or association health and accident insurance
26 policy or health maintenance organization subscriber agreement issued in this state
27 for their support, shall be considered as dependents of the primary insured or enrollee
28 under the provisions of said policy. ~~any family group health and accident insurance~~

1 policy, group health and accident insurance policy, or similar coverage issued by a
2 health maintenance organization in this state.

3 ~~(2) Every unmarried child under the age of twenty-four who is enrolled as~~
4 ~~a full-time student at an accredited college or university, or a vocational, technical,~~
5 ~~vocational-technical, or trade school or institute, or secondary school and who is~~
6 ~~dependent for their support on the primary insured under any group health and~~
7 ~~accident or association health and accident insurance policy issued in this state shall~~
8 ~~continue to be considered a dependent under the provisions of such policy if the~~
9 ~~unmarried child develops a mental or nervous condition, problem, or disorder which~~
10 ~~renders the unmarried child, in the opinion of a qualified psychiatrist, subject, if~~
11 ~~deemed necessary by the insurer or health maintenance organization, to a second~~
12 ~~opinion, unable to attend school as a full-time student and from holding self-~~
13 ~~sustaining employment until the student reaches the age of twenty-four.~~

14 B. The provisions of this Section shall apply only if the child or grandchild
15 is not eligible to enroll in an eligible employer-sponsored health plan.

16 ~~B.C.~~ The provisions of this Section shall apply to all policies issued or
17 renewed or issued for delivery in this state after September 1, 1997, 2010. Any
18 insurer who, on September 1, 1997, 2010, has health and accident insurance policies
19 or health maintenance organization subscriber agreements in force in this state shall
20 have until September 1, 1998, 2011, to convert such existing policies or agreements
21 to conform to the provisions of this Section.

22 §1003.1. Children; premiums; portability; enrollment; exception

23 A. In reference to R.S. 22:1003, the following shall apply:

24 (1) The premium for coverage under any family group health and accident
25 insurance policy, group health and accident insurance policy, or similar coverage
26 issued by a health maintenance organization in this state shall not increase on the
27 basis of the addition of a child or grandchild through the age of twenty-six unless
28 there are no dependents covered under the policy prior to the addition of such child
29 or grandchild. The health insurance issuer or health maintenance organization shall

1 apply portability rights in reference to preexisting conditions to the newly added
2 child or grandchild as described in R.S. 22:1062(A) and (B). The preexisting
3 condition waiting period applicable to such child or grandchild shall be applied to
4 the child or grandchild in the same manner as any other dependent.

5 (2) The health insurance issuer or health maintenance organization shall
6 offer to all insureds or enrollees a special enrollment period of not less than thirty
7 days upon request of the insured or enrollee to include a child or grandchild through
8 the age of twenty-six as a new entrant covered under the policy or subscriber
9 agreement. It is solely the insured's or enrollee's decision whether to add such child
10 or grandchild to the policy or subscriber agreement.

11 (3) The health insurance issuer or health maintenance organization shall not
12 limit or otherwise restrict the offer of coverage to a child or grandchild through the
13 age of twenty-six by requiring any of the following:

14 (a) That the child or grandchild had to have been previously covered as a
15 dependent.

16 (b) That the child or grandchild resides in this state.

17 (c) That the child or grandchild demonstrate that he had previous creditable
18 coverage.

19 (d) That the enrollee or insured requested coverage for the child or
20 grandchild the first time such child or grandchild was eligible for coverage.

21 (4) The health insurance issuer or health maintenance organization may not
22 deny coverage to a child or grandchild through the age of twenty-six when the
23 enrollee or insured requests coverage.

24 (5) The health insurance issuer or health maintenance organization shall
25 offer coverage for an enrollee's or insured's children or grandchildren through the age
26 of twenty-six as new entrants through special enrollment and shall annually provide
27 at least a thirty-day enrollment period. The health insurance issuer or health
28 maintenance organization may request documentation of such child's or grandchild's
29 creditable coverage to determine portability.

1 B. The provisions of this Section shall apply only if the child or grandchild
 2 is not eligible to enroll in an eligible employer-sponsored health plan.

3 C. The provisions of this Section shall apply to all policies or subscriber
 4 agreements issued or renewed or issued for delivery in this state after September 1,
 5 2010. Any insurer who, on September 1, 2010, has health and accident insurance
 6 policies or health maintenance organization subscriber agreements in force in this
 7 state shall have until September 1, 2011, to convert such existing policies or
 8 agreements to conform to the provisions of this Section.

9 Section 2. R.S. 22:1002 is hereby repealed in its entirety.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Kleckley

HB No. 244

Abstract: Increases the age for dependent coverage of dependent children or grandchildren under their parent's or grandparent's health insurance policy or contract through age 26, deletes the requirement that they be unmarried or full-time students, provides for exceptions, and sets certain requirements and restrictions for health insurance issuers and health maintenance organizations in providing such coverage.

Proposed law provides as follows:

- (1) Present law, with respect to group, family group, blanket, and association health and accident insurance, allows dependent coverage of children under 21 years of age and unmarried grandchildren who are in the legal custody of and residing with the grandparent under 21 years of age.

Proposed law increases the age for such dependent coverage through the age of 26 and deletes the requirement that such children be unmarried; otherwise retains present law.

- (2) Present law, relative to family group health and accident insurance or similar coverage issued by a health maintenance organization (HMO) as an individual policy, allows dependent coverage of unmarried children under 21 years of age or, in the case of full-time students, unmarried children under the age of 24, and unmarried grandchildren under 21 years of age in the legal custody of and residing with the grandparent or, in the case of full-time students, unmarried grandchildren under the age of 24 who are in the legal custody of and residing with the grandparent, except that the policy may provide for continuing coverage for any unmarried child or grandchild in the legal custody of and residing with the grandparent who is incapable of self-sustaining employment by reason of mental retardation or physical handicap, who became so incapable prior to attainment of age 26 and any other person dependent upon the policyholder.

Proposed law increases the age for dependent coverage through the age of 26, deletes the requirement that such children be unmarried, and deletes the requirement that grandchildren under 21 years of age be in the legal custody of and residing with the grandparent. Otherwise retains present law.

- (3) Present law provides for dependent coverage if any dependent described in (2) above develops a mental or nervous condition, problem, or disorder which, in the opinion of a qualified psychiatrist, subject, if deemed necessary by the insurer or HMO, to a second opinion, prevents the unmarried child or grandchild from attending school as a full-time student and from holding self-sustaining employment if the child or grandchild is under the age of 24.

Proposed law deletes present law as unnecessary since proposed law raises the eligible age for dependent coverage through the age of 26 and deletes the requirement for full-time student and unmarried status.

- (4) Present law provides that any hospital or medical expense insurance policy issued in this state which provides that coverage of a dependent child of a policyholder shall terminate upon attainment of the limiting age for dependent children specified in the policy shall also provide in substance that attainment of such limiting age shall not operate to terminate the coverage of such child while the child is and continues to be both: (a) incapable of self-sustaining employment; and (b) chiefly dependent upon the policyholder for support; and maintenance if proof of such incapacity and dependency is furnished to the insurer within 31 days of the child's attainment of the limiting age and subsequently as may be required by the insurer but not more frequently than annually after the two-year period following the child's attainment of the limiting age.

Proposed law retains present law.

- (5) Present law, relative to group and individual health and accident insurance and similar coverage issued by a HMO, allows dependent coverage of students who are unmarried children who have not yet attained the age of 24 and who are enrolled as full-time students at an accredited college or university, or at a vocational, technical, vocational-technical or trade school or institute, or secondary school, and who are dependent upon the primary insured under any such policy or subscriber agreement.

Proposed law specifies that such a child shall include a grandchild in the legal custody of and residing with a grandparent, deletes the requirement for full-time student status, increases the age for dependent coverage through the age of 26, and deletes the requirement that such child be unmarried; however, provides that such coverage shall apply only if the child or grandchild is not eligible to enroll in an eligible employer-sponsored health plan.

- (6) Present law provides for dependent coverage if any dependent described in (4) above develops a mental or nervous condition, problem, or disorder which renders the unmarried child, in the opinion of a qualified psychiatrist, subject, if deemed necessary by the insurer or HMO, to a second opinion, unable to attend school as a full-time student and from holding self-sustaining employment until the student reaches the age of 24.

Proposed law deletes present law as unnecessary since proposed law raises the eligible age for dependent coverage through the age of 26 and deletes the requirement for full-time or unmarried or student status.

- (7) Proposed law further provides that the premium for coverage under any family group health and accident insurance policy, or similar coverage issued by a HMO shall not increase on the basis of the addition of an unmarried child or unmarried

- grandchild through the age of 26 unless there are no dependents covered under the policy prior to the addition of such child. Requires the health insurance issuer or HMO to apply portability rights in reference to preexisting conditions to the newly added child or grandchild as described in present law relative to such conditions. Specifies that the preexisting condition waiting period applicable to such child shall be applied to that child in the same manner as any other dependent.
- (8) Proposed law also requires that the health insurance issuer or HMO offer to all insureds or enrollees a special enrollment period of not less than 30 days upon request of the insured or enrollee to include a child or grandchild through the age of 26 as a new entrant covered under the policy or subscriber agreement. Makes it solely the insured's or enrollee's decision whether to add such child to the policy or subscriber agreement.
- (9) Proposed law additionally prohibits the health insurance issuer or HMO from limiting or otherwise restricting the offer of coverage to a child or grandchild through the age of 26 by requiring any of the following:
- (a) That such child had to have been previously covered as a dependent.
 - (b) That such child resides in this state.
 - (c) That such child demonstrate that he had previous creditable coverage.
 - (d) That the enrollee or insured requested coverage for such child the first time he was eligible for coverage.
- (10) Proposed law further prohibits the health insurance issuer or HMO from denying coverage to a child or grandchild through the age of 26 when the enrollee or insured requests coverage.
- (11) Proposed law further requires that the health insurance issuer or HMO offer coverage for an enrollee's or insured's children or grandchildren through the age of 26 as new entrants through special enrollment and annually provide at least a 30-day enrollment period. Allows the health insurance issuer or HMO to request documentation of such child's creditable coverage to determine portability.
- (12) Proposed law provides that it shall apply only if the child or grandchild is not eligible to enroll in an eligible employer-sponsored health plan.
- (13) Proposed law provides that it shall apply to all policies issued or renewed in this state after Sept. 1, 2010. Also gives any insurer who on that date has health and accident insurance policies or HMO subscriber agreements in force in this state until Sept. 1, 2011, to convert such existing policies or agreements to conform to proposed law.

(Amends R.S. 22:1000(A)(1)(a)(vi) and (2) and 1003; Adds R.S. 22:1003.1; Repeals R.S. 22:1002)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Insurance to the original bill.

1. Deleted the requirement that a child be unmarried to qualify for dependent coverage by a parent or grandparent.
2. Provided that dependent coverage extends through the age of 26 rather than under the age of 26.

3. Added an exception by providing that proposed law shall apply only if the child or grandchild is not eligible to enroll in an eligible employer-sponsored health plan.