

1 H.237

2 Introduced by Representative Wood of Waterbury

3 Referred to Committee on

4 Date:

5 Subject: Health; health insurance; continuation of coverage

6 Statement of purpose of bill as introduced: This bill proposes to require a
7 group health insurance plan to continue to provide coverage for a covered
8 member's dependents after the death of the covered member until the insurer
9 receives verification that each dependent has either obtained coverage from
10 another source or elected not to have health insurance coverage.

11 An act relating to continuation of group health insurance coverage for
12 dependents after the death of the covered member

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 Sec. 1. 8 V.S.A. § 4090a is amended to read:

15 § 4090a. CONTINUATION OF GROUP

16 (a) All group health insurance policies, including dental policies, issued by
17 an insurance company or a nonprofit hospital or medical service corporation;
18 self-insured group plans; and prepaid health insurance plans, delivered or
19 issued for delivery in this State, which insure employees or members for dental
20 insurance or hospital and medical insurance on an expense incurred, service

1 basis, or prepaid basis, other than policies covering specific diseases or
2 accidental injuries only, shall provide that any person whose insurance under
3 the group policy would terminate because of the occurrence of a qualifying
4 event as defined in subsection (b) of this section shall be entitled to continue
5 his or her health insurance under that group policy as set forth in this section
6 and in sections 4090b and 4090c of this title.

7 (b) For purposes of this subchapter, “qualifying event” means:

8 (1) loss of employment, including a reduction in hours that results in
9 ineligibility for employer-sponsored coverage;

10 (2) divorce, dissolution, or legal separation of the covered employee
11 from the employee’s spouse or civil union partner;

12 (3) a dependent child ceasing to qualify as a dependent child under the
13 generally applicable requirements of the policy; or

14 (4) death of the covered employee or member.

15 * * *

16 (e) Notice of the continuation privilege set forth in this section and in
17 sections 4090b and 4090c of this title shall be included in each certificate of
18 coverage and shall be provided by the employer to the employee within 30
19 days following the occurrence of any qualifying event.

1 Sec. 2. 8 V.S.A. § 4090c is amended to read:

2 § 4090c. TERMINATION OF COVERAGE

3 (a) Continuation of insurance under the group policy shall terminate upon
4 the occurrence of any of the following:

5 (1) The date 18 months after the date that insurance under the policy
6 would have terminated due to a qualifying event, as defined in subsection
7 4090a(b) of this title.

8 (2) The person fails to make timely payment of the required
9 contribution.

10 (3) The person is covered by Medicare.

11 (4) The person is covered by any other group insured or uninsured
12 arrangement that provides dental coverage or hospital and medical coverage
13 for individuals in a group, under which the person was not covered
14 immediately prior to the occurrence of a qualifying event, as defined in
15 subsection 4090a(b) of this title, and no preexisting condition exclusion
16 applies; provided, however, that the person shall remain eligible for
17 continuation coverages which are not available under the insured or uninsured
18 arrangement.

19 (5) The date on which the group policy is terminated or, in the case of
20 an employee, the date the decedent's or terminated employee's employer

1 terminates participation under the group policy. If such coverage is replaced
2 by similar coverage under another group policy:

3 (A) the person shall have the right to become covered under that
4 replacement policy, for the balance of the period that he or she would have
5 remained covered under the prior group policy;

6 (B) the minimum level of benefits to be provided by the replacement
7 policy shall be the applicable level of benefits of the prior group policy
8 reduced by any benefits payable under that prior group policy; and

9 (C) the prior group policy shall continue to provide benefits to the
10 extent of its accrued liabilities and extensions of benefits as if the replacement
11 has not occurred.

12 (b) Notwithstanding any provision of subsection (a) of this section to the
13 contrary, continuation of insurance for dependents under a group policy after
14 the death of the covered member or employee shall not terminate until the
15 insurer or the insurer's agent obtains verification from each covered dependent
16 18 years of age or older that the dependent has obtained health insurance
17 coverage from another source or has elected not to have health insurance
18 coverage.

19 Sec. 3. EFFECTIVE DATE

20 This act shall take effect on July 1, 2019.