

FIRST REGULAR SESSION

HOUSE BILL NO. 231

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE YATES.

0540L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 376.428, RSMo, and to enact in lieu thereof one new section relating to continuation of group health insurance after termination of employment.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 376.428, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 376.428, to read as follows:

376.428. 1. A group policy delivered or issued for delivery in this state on or after [one hundred twenty days following September 28, 1985, by an insurance company, health service corporation or health maintenance organization] **January 1, 2010, by a health carrier or health benefit plan, as defined in section 376.1350**, which insures employees or members and their eligible dependents for hospital, surgical or major medical insurance on an expense-incurred or service basis, other than for specific diseases or for accidental injuries only, shall provide that employees or members whose coverage under the group policy, which includes coverage for their eligible dependents, would otherwise terminate because of termination of employment or membership shall be entitled to continue their hospital, surgical or major medical coverage, including coverage for their eligible dependents, under that group policy [subject to the following terms and conditions:

(1) Continuation shall only be available to an employee or member who has been continuously insured under the group policy, and for similar benefits under any group policy which it replaced, during the entire three-month period ending with such termination. If employment is reinstated during the continuation period, then coverage under the group policy will be reinstated for the employee and any dependents who were covered under continuation;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (2) Continuation shall not be available for any person covered under the group policy
18 who is or could be covered by Medicare, nor any person who is or could be covered by any other
19 insured or uninsured arrangement which provides hospital, surgical or major medical coverage
20 for individuals in a group and under which the person was not covered immediately prior to such
21 termination;

22 (3) Continuation need not include dental, vision care or prescription drug benefits or any
23 other benefits provided under the group policy in addition to its hospital, surgical or major
24 medical benefits, but continuation must include maternity benefits if those benefits are provided
25 under the group policy;

26 (4) The employee or member must request such continuation in writing within thirty-one
27 days of the date coverage would otherwise terminate and must pay to the group policyholder, on
28 a monthly basis, the amount of contribution required to continue the coverage. Such premium
29 contribution shall not be more than the group rate of the insurance being continued on the due
30 date of each payment; but, if any benefits are omitted as provided by subdivision (3) of this
31 subsection, such premium contribution shall be reduced accordingly. The employee's or
32 member's written request for continuation, together with the first required premium contribution,
33 must be given to the group policyholder within thirty-one days of the date the coverage would
34 otherwise terminate. Employers must notify their employees and members, in writing, of the
35 duties of such employees and members under this subdivision no later than the date on which
36 coverage would otherwise terminate;

37 (5) Continuation of coverage under the group policy for any covered person shall
38 terminate upon failure to satisfy subdivision (2) of this subsection or, if earlier, at the first to
39 occur of the following:

40 (a) The date nine months after the date the employee's or member's coverage under the
41 group would have terminated because of termination of employment or membership;

42 (b) If the employee or member fails to make timely payment of a required premium
43 contribution, the end of the period for which contributions were made;

44 (c) The date on which the group policy is terminated or, in the case of an employee, the
45 date the employer terminates participation under a group policy. However, if this condition
46 applies and the coverage ceasing by reason of termination is replaced by similar coverage under
47 another group policy, then:

48 a. The employee or member shall have the right to become covered under that other
49 group policy for the balance of the period that he would have remained covered under the prior
50 group policy in accordance with the conditions of this section;

51 b. The minimum level of benefits to be provided by the other group policy shall be the
52 applicable level of benefits of the prior group policy reduced by any benefits payable under that
53 prior policy; and

54 c. The prior group policy shall continue to provide benefits to the extent of its accrued
55 liabilities and extensions of benefits as if the replacement had not occurred] **in the same manner**
56 **as continuation of coverage is required under the continuation of coverage provisions set**
57 **forth in the federal Consolidated Omnibus Budget Reconciliation Act (COBRA), as**
58 **amended.**

59 2. The spouse of an employee or member whose coverage under the group policy would
60 otherwise terminate due to dissolution of marriage or death of the employee or member shall
61 have the same continuation privilege accorded under sections 376.421 to 376.442, 376.694 to
62 376.696, and 376.779 to the employee or member upon termination of employment or
63 membership.

64 3. The right to a converted policy pursuant to sections 376.395 to 376.404 for an
65 employee or member entitled to continuation of coverage under sections 376.421 to 376.442,
66 376.694 to 376.696, and 376.779 shall commence upon termination of the continued coverage
67 provided for in sections 376.421 to 376.442, 376.694 to 376.696, and 376.779.

68 4. This section shall only apply to those persons who are not subject to the continuation
69 and conversion provisions set forth in Title I, Subtitle B, Part 6 of the Employment Retirement
70 Income Security Act of 1974 or Title XXII of the Public Health Service Act, as said acts were
71 in effect on January 1, 1987.

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