

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 442

PRINTER'S NO. 748

AMOUNT

No Significant Fiscal Impact

FUND

General

DATE INTRODUCED

Feb. 24, 2009

PRIME SPONSOR

Senator D. White

HISTORY OF BILL

Referred to BANKING & INSURANCE, Feb. 24, 2009
Reported as committed, March 10, 2009
First consideration, March 10, 2009
Re-referred to APPROPRIATIONS, March 16, 2009
Re-reported as amended, March 23, 2009

DESCRIPTION AND PURPOSE OF BILL

An Act amending the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, in health and accident insurance, providing for group health policies to continue for period of time after termination of employment or membership in health maintenance organizations.

This bill amends the Insurance Company Law of 1921, by adding a section providing for Mini-COBRA Small Employer Group Health Policies.

Under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA), terminated employees or other non-eligible employees of employers with 20 or more employees may purchase a continuation of health benefits for 18 to 36 months at no more than 102% of the group rate before termination of coverage. Terminated employees have 60 days to accept or reject federal COBRA coverage.

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Senate Bill 442 extends COBRA for terminated or non-eligible employees of employers with two to nineteen employees. To qualify, the employee must be insured under the group policy during the three month period ending with the termination of coverage. The premium paid may not be more than 105% of the group rate. Coverage must be requested within 60 days of termination. Mini-COBRA is not available to persons covered by Medicare or covered by any other insurance which provides hospital, surgical or major medical coverage.

FISCAL IMPACT:

The enactment of this legislation will have no significant fiscal impact to the Commonwealth. Any costs to the Insurance Department associated with oversight, review, and regulatory purposes would be minimal and absorbed within existing operating appropriations.