

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2392 Session of 2010

INTRODUCED BY SHAPIRO, MATZIE, LONGIETTI, BRADFORD, BRIGGS, BURNS, CALTAGIRONE, CARROLL, COHEN, D. COSTA, DeLUCA, DePASQUALE, FABRIZIO, FREEMAN, GIBBONS, GRUCELA, HARKINS, JOSEPHS, KOTIK, MAHONEY, MANDERINO, MANN, McGEEHAN, McILVAINE SMITH, MICOZZIE, MILLER, MURPHY, MURT, MUSTIO, M. O'BRIEN, PASHINSKI, PICKETT, READSHAW, REED, SIPTROTH, WHEATLEY AND HOUGHTON, APRIL 7, 2010

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, APRIL 21, 2010

AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An
2 act relating to insurance; amending, revising, and
3 consolidating the law providing for the incorporation of
4 insurance companies, and the regulation, supervision, and
5 protection of home and foreign insurance companies, Lloyds
6 associations, reciprocal and inter-insurance exchanges, and
7 fire insurance rating bureaus, and the regulation and
8 supervision of insurance carried by such companies,
9 associations, and exchanges, including insurance carried by
10 the State Workmen's Insurance Fund; providing penalties; and
11 repealing existing laws," further providing for Mini-COBRA
12 small employer group health policies; AND PROVIDING FOR
13 CONTINUATION OF COVERAGE REINSTATEMENT. ←

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. Section ~~635.4(a)(6)(i)(A)~~ 635.4(A)(6)(I) of the ←
17 act of May 17, 1921 (P.L.682, No.284), known as The Insurance
18 Company Law of 1921, added June 10, 2009 (P.L.5, No.2), is
19 amended to read:

20 Section 635.4. Mini-COBRA Small Employer Group Health

1 Policies.--(a) A group policy in effect or delivered or issued
2 for delivery in this Commonwealth on or after the effective date
3 of this section by an insurer which insures employes and their
4 eligible dependents for hospital, surgical or major medical
5 insurance shall provide that covered employes, or eligible
6 dependents whose coverage under the group policy would otherwise
7 terminate because of a qualifying event, shall be entitled to
8 continue their hospital, surgical or major medical coverage
9 under that group policy subject to the following terms and
10 conditions:

11 * * *

12 (6) (i) Continuation of coverage under the group policy for
13 any covered employe or eligible dependent shall terminate upon
14 failure to satisfy paragraph (2) or, if earlier, at the first to
15 occur of the following:

16 ~~(A) the date [nine] fifteen months after the date the~~ ←
17 ~~covered employe's or eligible dependent's coverage under the~~
18 ~~group policy would have terminated because of a qualifying~~
19 ~~event;~~

20 * * *

21 ~~Section 2. This act shall apply to provide health coverage~~
22 ~~that begins on or after February 17, 2009.~~

23 (A) [THE] THE END DATE, DETERMINED AS FOLLOWS: ←

24 (I) EXCEPT AS SET FORTH IN SUBCLAUSE (II) OR (III), FIFTEEN
25 MONTHS AFTER THE DATE THE COVERED EMPLOYE'S OR ELIGIBLE
26 DEPENDENT'S COVERAGE UNDER THE GROUP POLICY WOULD HAVE
27 TERMINATED BECAUSE OF A QUALIFYING EVENT.

28 (II) IF THE INSURANCE DEPARTMENT PUBLISHES A NOTICE IN THE
29 PENNSYLVANIA BULLETIN STATING THAT A FEDERAL PREMIUM ASSISTANCE
30 PROGRAM, INCLUDING THE AMERICAN RECOVERY AND REINVESTMENT ACT OF

1 2009 (PUBLIC LAW 111-5, 123 STAT. 115), IS TERMINATED, NINE
2 MONTHS AFTER THE DATE THE COVERED EMPLOYE'S OR ELIGIBLE
3 DEPENDENT'S COVERAGE UNDER THE GROUP POLICY WOULD HAVE
4 TERMINATED BECAUSE OF A QUALIFYING EVENT[;].

5 (III) IF, SUBSEQUENT TO PUBLICATION OF A NOTICE UNDER
6 SUBCLAUSE (II), THE DEPARTMENT PUBLISHES A NOTICE IN THE
7 PENNSYLVANIA BULLETIN STATING THAT A FEDERAL PREMIUM ASSISTANCE
8 PROGRAM IS IN EXISTENCE, FIFTEEN MONTHS AFTER THE DATE THE
9 COVERED EMPLOYE'S OR ELIGIBLE DEPENDENT'S COVERAGE UNDER THE
10 GROUP POLICY WOULD HAVE TERMINATED BECAUSE OF A QUALIFYING
11 EVENT.

12 (B) [IF] IF THE EMPLOYE OR MEMBER FAILS TO MAKE TIMELY
13 PAYMENT OF A REQUIRED PREMIUM CONTRIBUTION, THE END OF THE
14 PERIOD FOR WHICH CONTRIBUTIONS WERE MADE[;].

15 (C) [THE] THE DATE ON WHICH THE GROUP POLICY IS TERMINATED.

16 * * *

17 SECTION 1.1. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

18 SECTION 635.5. CONTINUATION OF COVERAGE REINSTATEMENT.--A
19 COVERED EMPLOYE OR ELIGIBLE DEPENDENT WHOSE CONTINUATION OF
20 COVERAGE TERMINATED UPON THE EXPIRATION OF A PERIOD OF MONTHS AS
21 PROVIDED IN SECTION 635.4 (A) (6) (I) (A) PRIOR TO THE EFFECTIVE
22 DATE OF THIS SECTION SHALL HAVE THE CONTINUATION OF COVERAGE
23 REINSTATED FOR AN ADDITIONAL PERIOD OF SIX MONTHS UNDER THE SAME
24 TERMS AND CONDITIONS THAT EXISTED ON THE DATE OF THE QUALIFYING
25 EVENT WHICH PROMPTED ELIGIBILITY UNDER THIS ACT.

26 SECTION 2. THIS ACT SHALL APPLY RETROACTIVELY TO JULY 10,
27 2009.

28 Section 3. This act shall take effect immediately.