

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1043

H.P. 760

House of Representatives, February 26, 2003

An Act To Provide Continued Access to Health Insurance for Small Business Employees

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative BREault of Buxton.
Cosponsored by Senator MAYO of Sagadahoc and
Representatives: CANAVAN of Waterville, DUPLESSIE of Westbrook, O'NEIL of Saco,
PERRY of Calais, PERRY of Bangor, WOODBURY of Yarmouth, YOUNG of Limestone,
Senator: LaFOUNTAIN of York.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 24-A MRSA §2809-A, sub-§11-A is enacted to read:

11-A. Continued group coverage; groups with fewer than 20 employees. Notwithstanding any other provision of this section, upon the termination of coverage for a member or employee covered under a group policy with 20 or fewer members or employees, the insurer shall allow the member or employee to elect, within the time period prescribed by paragraph B, to continue coverage under the group policy at no higher level than the level of benefits or coverage received by the member or employee immediately before termination of coverage and at the member's or employee's expense or, at the member's or employee's option, to convert to a policy of individual coverage without evidence of insurability in accordance with this section.

A. For the purposes of this subsection, "member or employee" includes only those persons who have been a member or employee for at least 6 months.

B. The member or employee has 31 days from the termination of coverage in which to elect continued coverage and make the initial payment under this subsection.

C. An insurer is not required to continue coverage under a group policy if the member or employee meets the conditions set out in subsection 3, paragraph A.

D. The payment amount for continued group coverage under this subsection may not exceed 102% of the group rate in effect for a group member, including an employer's contribution, if any.

E. At the option of the member or employee, the continued group coverage may cover the member or employee, the member or employee and any dependents or only the dependents of the member or employee; provided that, in the latter 2 cases, the dependents have been covered for a period of at least 3 months under the group policy, unless the dependents were not eligible for coverage until after the beginning of the 3-month period.

F. Except as provided in paragraph G, coverage provided under this subsection continues for 18 months.

G. Coverage provided under this subsection may be terminated sooner than provided under paragraph F if:

(1) The member or employee fails to make timely payment of a required premium amount; or

(2) The member or employee becomes eligible for coverage under another group policy.

H. At the expiration of any continued group coverage obtained under this subsection, the member or employee has the same conversion privileges as otherwise granted under this section.

I. This subsection may not be construed to:

(1) Prevent members or employees from negotiating for or receiving greater continued coverage of group insurance than is provided in this subsection;

(2) Require coverage beyond the time limit set in paragraph F; or

(3) Permit a member or employee to increase the level of benefits or coverage that the member or employee received immediately before the termination of the employee's coverage.

J. This subsection does not apply to any group policy subject to the United States Consolidated Omnibus Budget Reconciliation Act, Public Law 99-272, Title X, Private Health Insurance Coverage, Sections 10001 to 10003.

Sec. 2. 24-A MRSA §4222-B, sub-§18, as enacted by PL 2001, c. 410, Pt. B, §3, is amended to read:

18. The ~~requirement~~ requirements of section 2809-A, ~~subsection~~ subsections 11 and 11-A to continue group coverage under certain circumstances ~~applies~~ apply to health maintenance organizations.

SUMMARY

This bill gives employees whose coverage under a group policy is terminated the right to maintain coverage under that group policy at the employee's expense for 18 months. The bill applies to group policies covering fewer than 20 employees.