

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## SECOND REGULAR SESSION-2008

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Legislative Document

No. 2066

H.P. 1450

House of Representatives, December 21, 2007

### **An Act To Clarify the Laws Governing the Extension of Health Care Coverage to Dependents**

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 19, 2007. Referred to the Committee on Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative BARSTOW of Gorham.  
Cosponsored by Representatives: BLISS of South Portland, BRAUTIGAM of Falmouth,  
FAIRCLOTH of Bangor.

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

2 **Sec. 1. 24-A MRSA §2742-B, sub-§1, ¶B**, as enacted by PL 2007, c. 115, §1  
3 and affected by §5, is amended to read:

4 B. Has no dependent of the child's own; and

5 **Sec. 2. 24-A MRSA §2742-B, sub-§1, ¶C**, as enacted by PL 2007, c. 115, §1  
6 and affected by §5, is amended to read:

7 C. Is a resident of this State or is enrolled as a full-time student at an accredited  
8 public or private institution of higher education; ~~and.~~

9 **Sec. 3. 24-A MRSA §2742-B, sub-§1, ¶D**, as enacted by PL 2007, c. 115, §1  
10 and affected by §5, is repealed.

11 **Sec. 4. 24-A MRSA §2742-B, sub-§2**, as enacted by PL 2007, c. 115, §1 and  
12 affected by §5, is amended to read:

13 **2. Offer of coverage.** Notwithstanding section 2703, subsection 3, an individual  
14 health insurance policy that ~~provides~~ offers coverage for a dependent child must offer ~~to~~  
15 ~~extend~~ such coverage, at the option of the policyholder, until the dependent child is 25  
16 years of age. An insurer may require, as a condition of eligibility for ~~continued~~  
17 in accordance with this section, that a ~~covered~~ person seeking ~~continued~~  
18 dependent child ~~provide written documentation on an annual basis~~ certify that the  
19 dependent child meets ~~or continues to meet~~ the requirements in subsection 1.

20 **Sec. 5. 24-A MRSA §2742-B, sub-§3** is enacted to read:

21 **3. Notice.** An insurer shall provide notice to policyholders regarding the availability  
22 of dependent coverage under this section:

23 A. In any certificate of coverage prepared on or after the effective date of this  
24 subsection;

25 B. Upon each renewal of coverage, but at least once annually; and

26 C. Within 30 days following the effective date of this subsection.

27 Notice provided under this subsection must include information about enrollment periods  
28 and notice of the insurer's definition of and benefit limitations for preexisting conditions.

29 **Sec. 6. 24-A MRSA §2833-B, sub-§1, ¶B**, as enacted by PL 2007, c. 115, §2  
30 and affected by §5, is amended to read:

31 B. Has no dependent of the child's own; and

32 **Sec. 7. 24-A MRSA §2833-B, sub-§1, ¶C**, as enacted by PL 2007, c. 115, §2  
33 and affected by §5, is amended to read:

34 C. Is a resident of this State or is enrolled as a full-time student at an accredited  
35 public or private institution of higher education; ~~and.~~

1       **Sec. 8. 24-A MRSA §2833-B, sub-§1, ¶D**, as enacted by PL 2007, c. 115, §2  
2 and affected by §5, is repealed.

3       **Sec. 9. 24-A MRSA §2833-B, sub-§2**, as enacted by PL 2007, c. 115, §2 and  
4 affected by §5, is amended to read:

5       **2. Offer of coverage.** Notwithstanding section 2822, a group health insurance  
6 policy that ~~provides~~ offers coverage for a dependent child must offer ~~to extend~~ such  
7 coverage, at the option of the policyholder, until the dependent child is 25 years of age.  
8 An insurer may require, as a condition of eligibility for ~~continued~~ coverage in accordance  
9 with this section, that a ~~covered~~ person seeking ~~continued~~ coverage for a dependent child  
10 ~~provide written documentation on an annual basis~~ certify that the dependent child meets  
11 ~~or continues to meet~~ the requirements in subsection 1.

12       **Sec. 10. 24-A MRSA §2833-B, sub-§3** is enacted to read:

13       **3. Notice.** An insurer shall provide notice to policyholders regarding the availability  
14 of dependent coverage under this section:

15       A. In any certificate of coverage prepared on or after the effective date of this  
16 subsection;

17       B. Upon each renewal of coverage, but at least once annually; and

18       C. Within 30 days following the effective date of this subsection.

19 Notice provided under this subsection must include information about enrollment periods  
20 and notice of the insurer's definition of and benefit limitations for preexisting conditions.

21       **Sec. 11. 24-A MRSA §4233-B, sub-§1, ¶B**, as enacted by PL 2007, c. 115, §4  
22 and affected by §5, is amended to read:

23       B. Has no dependent of the child's own; and

24       **Sec. 12. 24-A MRSA §4233-B, sub-§1, ¶C**, as enacted by PL 2007, c. 115, §4  
25 and affected by §5, is amended to read:

26       C. Is a resident of this State or is enrolled as a full-time student at an accredited  
27 public or private institution of higher education; and.

28       **Sec. 13. 24-A MRSA §4233-B, sub-§1, ¶D**, as enacted by PL 2007, c. 115, §4  
29 and affected by §5, is repealed.

30       **Sec. 14. 24-A MRSA §4233-B, sub-§2**, as enacted by PL 2007, c. 115, §4 and  
31 affected by §5, is amended to read:

32       **2. Offer of coverage.** An individual or group health maintenance organization  
33 contract that ~~provides~~ offers coverage for a dependent child shall offer ~~to extend~~ such  
34 coverage, at the option of the contract holder, until the dependent child is 25 years of age.  
35 An insurer may require, as a condition of eligibility for ~~continued~~ coverage in accordance  
36 with this section, that a ~~covered~~ person seeking ~~continued~~ coverage for a dependent child

1 ~~provide written documentation on an annual basis~~ certify that the dependent child meets  
2 ~~or continues to meet~~ the requirements in subsection 1.

3 **Sec. 15. 24-A MRSA §4233-B, sub-§3** is enacted to read:

4 **3. Notice.** A health maintenance organization shall provide notice to contract  
5 holders regarding the availability of dependent coverage under this section:

6 A. In any certificate of coverage prepared on or after the effective date of this  
7 subsection;

8 B. Upon each renewal of coverage, but at least once annually; and

9 C. Within 30 days following the effective date of this subsection.

10 Notice provided under this subsection must include information about enrollment periods  
11 and notice of the insurer's definition of and benefit limitations for preexisting conditions.

12 **Sec. 16. Special enrollment period.** For dependents that qualify for health  
13 insurance coverage under the Maine Revised Statutes, Title 24-A, section 2742-B, 2833-  
14 B or 4233-B, an insurer must hold a special open enrollment period during which a  
15 subscriber may elect to enroll the dependent child. The special enrollment period must  
16 begin on the effective date of this Act and continue until September 20, 2008. An insurer  
17 must include information about the special enrollment period in the notice provided  
18 pursuant to Title 24-A, section 2742-B, subsection 3; section 2833-B, subsection 3 or  
19 section 4233-B, subsection 3.

## 20 SUMMARY

21 Under current law, an insurer that provides coverage to a dependent child must offer  
22 to extend such coverage until the dependent is 25 years of age. This bill clarifies that it is  
23 not necessary that the dependent be currently insured by that insurer for that insurer to  
24 offer coverage until the dependent is 25 years of age. In addition, this bill amends the  
25 definition of "dependent child" to eliminate the requirement that the child is not provided  
26 coverage under any other individual or group health insurance policy or health  
27 maintenance organization contract or under a federal or state government program.

28 The bill also requires insurers to provide notice of the availability of coverage until  
29 the dependent is 25 years of age. Finally, this bill requires insurers to hold a special open  
30 enrollment period during which a covered individual may elect to enroll a dependent  
31 child.