

SENATE BILL REPORT

HB 2521

As of February 17, 2010

Title: An act relating to conversion rights upon termination of eligibility for health plan coverage.

Brief Description: Addressing conversion rights upon termination of eligibility for health plan coverage.

Sponsors: Representatives Driscoll, Williams, Cody, Morrell, Ormsby and Moeller; by request of Insurance Commissioner.

Brief History: Passed House: 1/28/10, 97-0.

Committee Activity: Health & Long-Term Care: 2/17/10.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Mich'l Needham (786-7442)

Background: When a health plan is canceled by an employer, employees have 31 days from the date the plan's coverage ends to convert to a new individual policy and avoid a lapse in coverage. If they convert to a new individual policy within 31 days of the plan's coverage ending, they maintain their continuity of coverage, do not need to take the standard health questionnaire, and are not subject to preexisting condition exclusions. If an employer does not promptly notify employees that their employer sponsored health coverage is ending, it may be difficult for an employee to obtain new health coverage within the 31 day eligibility period.

Summary of Bill: Beginning January 1, 2011, all group policies must allow an individual 31 days from the termination of coverage or 31 days from the date the person receives notice of the termination of coverage, whichever is later, to purchase conversion coverage.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff Summary of Public Testimony: PRO: This is a good consumer protection measure that will provide more time for individuals to purchase conversion coverage once they've been notified of the loss of their coverage. The Insurance Commissioner requested this change to help consumers and make sure they have the time to get follow-up coverage.

Persons Testifying: PRO: Representative Driscoll, prime sponsor; Mary Childers, Office of Insurance Commissioner.