
Health Care & Wellness Committee

HB 2521

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 Summary of Bill

- Provides employees 31 days after notification that their employer's health coverage is terminating to convert to a new individual health plan and avoid a lapse in coverage.

Hearing Date: 1/15/10

Staff: Dave Knutson (786-7146).

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:

Employees who lose their employer health coverage have 31 days from the date the health plan's coverage ends, or 31 days from the date they are notified of the loss of coverage, whichever is later, to complete an application for conversion coverage.

Appropriation: None.

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.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.