

HB 2282 -- Health Insurance

Sponsor: Ervin

This bill changes the laws regarding health insurance.

HEALTH MAINTENANCE ORGANIZATIONS (HMOs)

The bill requires proof that a dependent child is incapable of maintaining employment due to a mental or physical handicap to be submitted to the insured's HMO within 31 days after the child has attained the age when the child's coverage is to be terminated instead of the current at least 31 days.

GROUP HEALTH INSURANCE POLICIES

Currently, group health insurance policies must contain a provision that specifies any exclusions and limitations to the policy in regard to a disease or physical condition that an individual was treated for during the 12 months prior to the effective date of an individual's policy. The bill limits the exclusions and limitations to the prior six months before an individual becomes covered under the policy. Exclusions and limitations cannot apply to a loss or disability that occurred after the effective date or during the 18-month period thereafter in the case of a late enrollee.

The bill requires proof that a dependent child is incapable of maintaining employment due to a mental or physical handicap and is dependent upon the policy holder for support and maintenance to be submitted to the health insurer within 31 days after the dependent child has attained the age when coverage is to be terminated in order to sustain coverage instead of the current at least 31 days.

MISSOURI HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT

A health insurance issuer providing group health insurance must provide special enrollment periods for eligible employees who have involuntarily lost their individual health plan coverage because the health plan carrier withdrew from the market.

INDIVIDUAL HEALTH INSURANCE POLICIES

The bill requires proof that a dependent child is incapable of maintaining employment due to a mental or physical handicap and is dependent upon the policy holder for support and maintenance to be submitted to the health insurer within 31 days after the dependent child has attained the age when coverage is to be terminated in order to sustain coverage instead of the current at

least 31 days.

MISSOURI HEALTH INSURANCE POOL (MHIP)

Currently, if an individual pays more than 150% of the standard insurance premium rates, he or she is eligible for insurance coverage through the Missouri Health Insurance Pool. The MHIP board is required to establish the eligibility limits, but the bill specifies that the limit cannot be in excess of 200% of the standard rates for individual health insurance coverage.

SMALL EMPLOYER HEALTH INSURANCE AVAILABILITY ACT

The definition of "dependent" is revised as it relates to insurance coverage to be a person that is a spouse, an unmarried child who resides in Missouri and is younger than 25 years of age and is not covered by an individual health benefit plan or entitled to federal Social Security assistance benefits, or a disabled person who is dependent upon his or her parent.

A small employer can make a defined contribution to its employees with individual health insurance plans by establishing a cafeteria plan according to the laws regulating the Missouri Health Insurance Portability and Accountability Act.

A small employer insurance carrier must reasonably compensate an agent or broker for the sale of any small employer health benefit plan.

Currently, a small employer insurance carrier will not be in violation of any unfair trade practice if the small employer charges a lesser premium or deductible for employees who do not use tobacco products. The bill changes the definition of "unfair trade practice" by using the provisions that apply to all insurance carriers in Missouri instead of only health and accident insurance companies.