

1 **INSURANCE COMPANIES NOTIFICATION IN**
2 **DIVORCE SITUATIONS**

3 2000 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Trisha S. Beck**

6 AN ACT RELATING TO HEALTH; REQUIRING HEALTH INSURERS TO NOTIFY A CHILD
7 WHO DOES NOT LIVE AT THE SAME ADDRESS AS THE INSURED PARENT OF ANY
8 COMMENCEMENT OR TERMINATION OF INSURANCE COVERAGE.

9 This act affects sections of Utah Code Annotated 1953 as follows:

10 AMENDS:

11 **31A-22-610.5**, as last amended by Chapters 102 and 137, Laws of Utah 1995

12 *Be it enacted by the Legislature of the state of Utah:*

13 Section 1. Section **31A-22-610.5** is amended to read:

14 **31A-22-610.5. Dependent coverage.**

15 (1) As used in this section, "child" has the same meaning as defined in Section 78-45-2.

16 (2) (a) Any individual or group health insurance policy or health maintenance organization
17 contract that provides coverage for a policyholder's or certificate holder's dependent shall not
18 terminate coverage of an unmarried dependent by reason of the dependent's age before the
19 dependent's 26th birthday and shall, upon application, provide coverage for all unmarried
20 dependents up to age 26.

21 (b) The cost of coverage for unmarried dependents 19 to 26 years of age shall be included
22 in the premium on the same basis as other dependent coverage.

23 (c) This section does not prohibit the employer from requiring the employee to pay all or
24 part of the cost of coverage for unmarried dependents.

25 (3) An individual or group health insurance policy or health maintenance organization
26 contract shall reinstate dependent coverage, and for purposes of all exclusions and limitations,
27 shall treat the dependent as if the coverage had been in force since it was terminated; if:

- 28 (a) the dependent has not reached the age of 26 by July 1, 1995;
- 29 (b) the dependent had coverage prior to July 1, 1994;
- 30 (c) prior to July 1, 1994, the dependent's coverage was terminated solely due to the age of
- 31 the dependent; and

32 (d) the policy has not been terminated since the dependent's coverage was terminated.

33 (4) (a) At the time a child is enrolled in insurance coverage, the insurer shall determine

34 whether the child lives at an address that is different than the insured parent.

35 (b) If an insurer determines, during or after enrollment, that a child lives at an address that

36 is different than the insured parent, the insurer shall send timely notice to the child's last-known

37 address regarding any commencement or termination of insurance coverage.

38 (c) A notice regarding the commencement of insurance coverage shall include information

39 on:

40 (i) coverage and benefits;

41 (ii) participating health care providers; and

42 (iii) the statutory right of a custodial parent to receive insurance information under

43 Subsection (7).

44 (d) A notice regarding the termination of insurance coverage shall include information on:

45 (i) the date of termination;

46 (ii) the options, if any, for extending coverage beyond the date of termination; and

47 (iii) the commencement, if known, of any new insurance coverage for the child.

48 ~~[(4)]~~ (5) (a) When a parent is required by a court or administrative order to provide health

49 insurance coverage for a child, a disability insurer may not deny enrollment of a child under the

50 disability insurance plan of the child's parent on the grounds the child:

51 (i) was born out of wedlock and is entitled to coverage under Subsection ~~[(6)]~~ (7);

52 (ii) was born out of wedlock and the custodial parent seeks enrollment for the child under

53 the custodial parent's policy;

54 (iii) is not claimed as a dependent on the parent's federal tax return; or

55 (iv) does not reside with the parent or in the insurer's service area.

56 (b) A disability insurer providing enrollment under Subsection ~~[(4)]~~ (5)(a)(iv) is subject

57 to the requirements of Subsection ~~[(5)]~~ (6).

58 ~~[(5)]~~ (6) A health maintenance organization or a preferred provider organization may use

59 alternative delivery systems or indemnity insurers to provide coverage under Subsection [(4)]
60 (5)(a)(iv) outside its service area. The provisions of Section 31A-8-408 do not apply to this
61 Subsection (6).

62 [(6)] (7) When a child has disability coverage through an insurer of a noncustodial parent
63 the insurer shall:

64 (a) provide information to the custodial parent as necessary for the child to obtain benefits
65 through that coverage, but the insurer or employer, or the agents or employees of either of them,
66 are not civilly or criminally liable for providing information in compliance with this Subsection
67 (7)(a), whether the information is provided pursuant to a verbal or written request;

68 (b) permit the custodial parent or the service provider, with the custodial parent's approval,
69 to submit claims for covered services without the approval of the noncustodial parent; [and]

70 (c) make payments on claims submitted in accordance with Subsection [(6)] (7)(b) directly
71 to the custodial parent, the provider, or the state Medicaid agency.

72 [(7)] (8) When a parent is required by a court or administrative order to provide health
73 coverage for a child, and the parent is eligible for family health coverage, the insurer shall:

74 (a) permit the parent to enroll, under the family coverage, a child who is otherwise eligible
75 for the coverage without regard to an enrollment season restrictions;

76 (b) if the parent is enrolled but fails to make application to obtain coverage for the child,
77 enroll the child under family coverage upon application of the child's other parent, the state agency
78 administering the Medicaid program, or the state agency administering 42 U.S.C. 651 through 669,
79 the child support enforcement program; and

80 (c) not disenroll or eliminate coverage of the child unless the insurer is provided
81 satisfactory written evidence that:

82 (i) the court or administrative order is no longer in effect; or

83 (ii) the child is or will be enrolled in comparable disability coverage through another
84 insurer which will take effect not later than the effective date of disenrollment.

85 [(8)] (9) An insurer may not impose requirements on a state agency which has been
86 assigned the rights of an individual eligible for medical assistance under Medicaid and covered for
87 disability benefits from the insurer that are different from requirements applicable to an agent or
88 assignee of any other individual so covered.

89 [(9)] (10) Insurers may not reduce their coverage of pediatric vaccines below the benefit

90 level in effect on May 1, 1993.

91 ~~[(10)]~~ (11) When a parent is required by a court or administrative order to provide health
92 coverage, which is available through an employer doing business in this state, the employer shall:

93 (a) permit the parent to enroll under family coverage any child who is otherwise eligible
94 for coverage without regard to any enrollment season restrictions;

95 (b) if the parent is enrolled but fails to make application to obtain coverage of the child,
96 enroll the child under family coverage upon application by the child's other parent, by the state
97 agency administering the Medicaid program, or the state agency administering 42 U.S.C. 651
98 through 669, the child support enforcement program;

99 (c) not disenroll or eliminate coverage of the child unless the employer is provided
100 satisfactory written evidence that:

101 (i) the court order is no longer in effect;

102 (ii) the child is or will be enrolled in comparable coverage which will take effect no later
103 than the effective date of disenrollment; or

104 (iii) the employer has eliminated family health coverage for all of its employees; and

105 (d) withhold from the employee's compensation the employee's share, if any, of premiums
106 for health coverage and to pay this amount to the insurer.

107 ~~[(11)]~~ (12) An order issued under Section 62A-11-326.1 may be considered a "qualified
108 medical support order" for the purpose of enrolling a dependent child in a group disability
109 insurance plan as defined in Section 609(a), Federal Employee Retirement Income Security Act
110 of 1974.

111 ~~[(12)]~~ (13) This section does not affect any insurer's ability to require as a precondition of
112 any child being covered under any policy of insurance that:

113 (a) the parent continues to be eligible for coverage;

114 (b) the child shall be identified to the insurer; and

115 (c) the premium shall be paid when due.

116 ~~[(13)]~~ (14) The provisions of this section apply to employee welfare benefit plans as
117 defined in Section 26-19-2.

Legislative Review Note

as of 1-18-00 7:06 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel