

# House Bill 3023

Sponsored by Representative CANNON

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires health benefit plans and health insurers to allow dependents to continue coverage past age limit for dependent coverage in plan or policy under specified conditions.

## A BILL FOR AN ACT

1  
2 Relating to insurance coverage of dependents.

3       Whereas the current health care system provides insufficient access for young adults, in which  
4 37 percent of all Oregonians aged 18 to 24 and 30 percent of all Oregonians aged 25 to 34 are  
5 uninsured, as compared to the state average of 17 percent uninsured; and

6       Whereas under the majority of health insurance policies coverage for dependents terminates at  
7 age 19; and

8       Whereas the rising costs of health care coverage and the transitional nature of young adults'  
9 lives makes it increasingly difficult for them to secure an affordable, stable and consistent source  
10 of health insurance coverage; and

11       Whereas maintaining health insurance coverage for young adults is important because na-  
12 tionally one-third of all HIV diagnoses are made among young adults, 14 percent of young adults  
13 aged 19 to 29 are clinically obese, 16 percent of women aged 19 to 29 require prenatal care at some  
14 time within this period of their lives, and, in general, injury-related emergency visits are far more  
15 common among young adults than among children or older adults; and

16       Whereas improving and protecting the health of all Oregonians, including young adults, must  
17 be a primary concern and an important goal for the state; and

18       Whereas Oregon, in taking strides to attain the important goal of improving the health of all  
19 Oregonians, should no longer hesitate in requiring insurance carriers to meet certain substantive  
20 health insurance criteria; and

21       Whereas comprehensive health care reform in Oregon is needed, such that it should utilize and  
22 incorporate major and minor changes alike; now, therefore,

23 **Be It Enacted by the People of the State of Oregon:**

24       **SECTION 1. Section 2 of this 2009 Act is added to and made a part of the Insurance Code.**

25       **SECTION 2. (1) As used in this section, "dependent" means the child by blood or by law**  
26 **of an enrollee in a health benefit plan or an insured under a health insurance policy who:**

27       **(a) Has no dependents;**

28       **(b) Is a resident of this state or is enrolled full-time at an accredited public or private**  
29 **post-secondary institution in this state; and**

30       **(c) Is not enrolled in or covered by a health benefit plan, as defined in ORS 743.730, a**  
31 **health insurance policy or Medicare under Title XVIII of the Social Security Act, and is un-**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.  
New sections are in **boldfaced** type.

1 der 30 years of age on or after January 1, 2017.

2 (2) A health benefit plan or health insurance policy that provides dependent coverage  
3 until a specified age of the dependent shall allow the dependent, the enrollee or the insured  
4 to continue coverage past the specified age:

5 (a) Within 30 days prior to the termination of coverage at the specified age;

6 (b) Within 30 days after termination of a plan or policy; or

7 (c) During an open enrollment period.

8 (3) The health benefit plan or insurer may require payment of a premium for any exten-  
9 sion of coverage under this section. The premium payment may not exceed 102 percent of  
10 the portion of the premium applicable to the dependent upon termination of coverage at the  
11 specified age for the first three years of coverage continued under this section. The premium  
12 may be increased by up to three percent beginning in the fourth year if necessary to account  
13 for inflation.

14 (4) The Department of Consumer and Business Services shall prescribe by rule the for-  
15 mula for determining the portion of the premium applicable to the dependent under this  
16 section.

17 (5) The payor may elect to pay premiums in monthly installments.

18 (6) Dependent coverage provided under this section shall continue until the earlier of one  
19 of the following occurs:

20 (a) The date the individual no longer meets the definition of a dependent under this sec-  
21 tion.

22 (b) The date that coverage ceases due to nonpayment of the premium. A premium pay-  
23 ment shall be considered timely if received by the plan or insurer no more than 30 days past  
24 the due date or within a longer period as specified in the plan or policy.

25 (c) The date the employer terminates coverage if the dependent coverage extends  
26 employer-sponsored insurance.

27 (7) A dependent may elect to extend coverage under this section after a disqualifying  
28 event described in subsection (6) of this section no longer applies if the dependent is other-  
29 wise eligible for continuation of coverage under this section.

30 (8) A plan or insurer shall give written notice regarding the continuation of dependent  
31 coverage under this section to an enrollee or insured upon enrollment or commencement of  
32 coverage and during each open enrollment period. The plan or insurer shall provide written  
33 notice of continuation coverage under this section to the enrollee, the insured and the de-  
34 pendent upon termination of coverage of a dependent at a specified age that is less than 30  
35 years of age.

36 **SECTION 3.** Notwithstanding section 2 (2) of this 2009 Act, within 12 months of the ef-  
37 fective date of this 2009 Act, a dependent whose coverage was terminated may request rein-  
38 statement and continuation of coverage if the dependent would qualify but for the time limits  
39 specified in section 2 of this 2009 Act.

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