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HOUSE BILL NO. 554

Offered January 13, 2010

Prefiled January 12, 2010

A BILL to amend and reenact § 38.2-3541.1 of the Code of Virginia, relating to continuation of group health insurance coverage following termination of employment.

Patrons—Marshall, D.W. and Crockett-Stark

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:**1. That § 38.2-3541.1 of the Code of Virginia is amended and reenacted as follows:**

§ 38.2-3541.1. Continuation following involuntary termination of employment; special circumstances.
A. For purposes of meeting the definition of "COBRA continuation coverage" in Title III of Division B of the American Recovery and Reinvestment Act of 2009, P.L. 111-5 (the Act), employees who are involuntarily terminated during the period beginning September 1, 2008, and ending December 31, 2009, or during any period for which premium assistance is specified by the Act as later amended, shall be offered the option to continue their existing group health insurance coverage subject to the following:

1. Coverage shall continue for a period of up to nine months, *or any additional period specified by the Act as later amended*, following the date of (i) involuntary termination for those terminated on or after the date of enactment of this section or (ii) following the date of the notification required pursuant to subdivision 3, contingent upon the involuntarily terminated employee's eligibility for premium assistance under the Act;

2. Premium payments (i) may be paid on a monthly basis to the group policyholder and (ii) shall not exceed 102 percent of the insurer's current premium rate applicable to the group policy;

3. Employers shall provide notification of the availability of continuation under this section as follows:

a. Notification shall be provided to those employees whose employment was terminated on or after September 1, 2008, and prior to February 17, 2009, in accordance with Section 3001 of the Act;

b. Notification shall be provided to those employees whose employment was terminated on or after February 17, 2009, and prior to the date of enactment of this section, no later than 60 days following the date of enactment of this section or the employee's termination, whichever is later; and

c. Notification shall be provided to those employees whose employment was terminated after the date of enactment of this section no later than 30 days following the date of the employee's termination;

4. The employee shall elect this continued coverage no later than 60 days following notification of plan enrollment options; and

5. All other provisions, restrictions and limitations contained in the Act shall apply.

B. The provisions of this section shall only apply to employees of small employers whose group health insurance coverage does not provide for continuation of coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

C. As used in this section, "group health insurance coverage" and "health insurance issuer" shall have the same meaning as provided in § 38.2-3431.

INTRODUCED

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