



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
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Memorandum

To: The Honorable Steven M. Costantino
Chairman, House Finance Committee

The Honorable Daniel DaPonte
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: March 12, 2010

Subject: Revised Article 14 for FY 2010 Supplemental Appropriations Act (10-H-7105)

The Governor requests Article 14 of the FY 2010 Supplemental Appropriations Act entitled "Relating to Medical Insurance Coverage" be replaced with the attached version. This amendment is being submitted to address concerns raised at legislative hearings. The revised version of Article 14 provides that, in the event of divorce, the person who was the spouse of the covered party can continue to receive health plan coverage if the person pays the cost of individual coverage directly to the plan administrator.

The revised article also makes provisions for judicial orders for the continuation of health plan coverage. For cases in which entry of decisions is made prior to enactment of this article, the spouse shall remain eligible for coverage for a maximum of three years. For cases in which entry of decisions is made after enactment of this article, a Family Court order is necessary. The Family Court may consider the availability of comparable coverage of the unmarried spouse, the resources of the parties such as alimony and the pre-existing medical condition of the unmarried spouse, and other factors the court deems just and proper when considering continuation of coverage for the former spouse of the policy holder. The new language added to the article is indicated by shading.

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If you have any questions regarding the revised article, please feel free to call me at 222-6300 or Susan Rodriguez at 222-3454.

TAM:sm 10-24

Attachment

cc: Representative Robert A. Watson
Senator Dennis L. Algiere
Sharon Reynolds Ferland
Peter Marino
Tim Costa
Michael Cronan
Susan Rodriguez
Rosemary Booth Gallogly
Gregory Stack

ARTICLE 14 (Revised 3/8/10)

RELATING TO MEDICAL INSURANCE COVERAGE

SECTION 1. Section 27-20.4-1 of the General Laws in Chapter 27-20.4 entitled "Insurance Continuation Act" is hereby amended to read as follows:

§ 27-20.4-1 Continuation of health plan coverage for former spouse. – (a) In the event of a final judgment of divorce, whether absolute or otherwise, where one party to the divorce was at the time of the entry of the judgment for divorce a member of a health plan providing family coverage regulated under chapters 18, 19, 20, or 20.1 of this title and § 42-62-13, or a member of a health maintenance organization as defined in § 42-62-4(5), or any similar health plan whether regulated under these chapters and sections or not, the person who was the spouse of the party prior to the entry of judgment for divorce may remain eligible for continuing benefits under the plan and health maintenance organization without additional premium or examination if the order is included in the judgment when entered. The person who was the spouse of the covered party shall be required to pay the cost of individual coverage directly to the plan administrator.

(b) The eligibility shall continue as long as the original member is a participant in the plan or health maintenance organization and until either one of the following shall take place: (1) the remarriage of either party to the divorce, or (2) until a time as provided by the judgment for divorce. Orders for the continuation of health plan coverage shall remain in effect for a period not to exceed three (3) years. For those cases, in which entry of decision pending final judgment had been entered prior to the enactment of this article, the former spouse shall remain eligible to be covered for a period not to exceed three (3) years from the date of enactment of this article. For those cases, in which entry of decision pending final judgment is entered on or after the effective date of this article, the family court may order the former spouse of a policy holder to continue to remain on said policy only after considering the following factors: the availability of comparable coverage for the unmarried spouse; the resources of the parties, including alimony;

any pre-existing medical condition of the unmarried spouse; and any other such pertinent factors the court deems just and proper.

(c) If the person who was the spouse of a member of a plan or health maintenance organization as set forth in this subsection becomes eligible to participate in a comparable plan or health maintenance organization through his or her own employment, the plan administrator shall be notified and continuation of the original plan coverage shall cease. Any final decree continuing family health insurance shall require both the member and the spouse to notify the insurer promptly of any remarriage.

~~(b)~~(d) The person who was the spouse and remains eligible for continuing benefits under the provisions of this section or any custodial guardian of an insured minor child of the original member, having paid for covered medical costs subject to reimbursement, shall be reimbursed directly by the insurer upon the filing of the claim. The insurer shall not require that the claim be filed through the insured member, but must allow for direct filing.

SECTION 2. This article shall take effect upon passage, and shall apply to all judgments for divorce that are in effect as of the date of passage.