

SENATE . . . . . No. 2065

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The Commonwealth of Massachusetts

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SENATE, June 2, 1983.

The committee on Ways and Means, to whom was committed the Senate Bill providing continued medical coverage upon termination of employment (Senate, No. 845), reports recommending that the same ought to pass, with an amendment, substituting a new draft with the same title (Senate, No. 2065).

For the Committee,

ALLAN R. MCKINNON

## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-three.

### AN ACT PROVIDING CONTINUED MEDICAL COVERAGE UPON TERMINATION OF EMPLOYMENT.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Section 16 of chapter 32A of the General Laws,  
2 as inserted by section 20 of chapter 392 of the acts of 1981,  
3 is hereby amended by inserting at the end of clause (a) the  
4 following: —

5 provided, however, that any member of a group general or  
6 blanket insurance plan providing hospital, surgical, medical,  
7 dental, or other health insurance coverage, as authorized by  
8 this chapter, and who has been employed by the common-  
9 wealth for at least one year, may elect to continue such health  
10 insurance coverage for a maximum period of fifty-two weeks  
11 from the discontinuance or termination of such employment,  
12 whether it be voluntary or involuntary.

1 SECTION 2. Said section 16 is hereby further amended in  
2 clause (c) by inserting after the word “involuntarily” the  
3 words: — or voluntarily.

1 SECTION 3. Section 17 of chapter 32B of the General Laws,  
2 as inserted by section 22 of chapter 392 of the acts of 1981,  
3 is hereby amended by inserting at the end of clause (a) the  
4 following: — provided, however, that any member of a group  
5 general or blanket insurance plan providing hospital, surgical,  
6 medical, dental, or other health insurance coverage, as au-  
7 thorized by this chapter, and who has been employed by the  
8 commonwealth for at least one year, may elect to continue  
9 such health insurance coverage for a maximum period of fifty-  
10 two weeks from the discontinuance or termination of such  
11 employment, whether it be voluntary or involuntary.

1 SECTION 4. Said section 17 is hereby further amended in  
2 clause (c) by inserting after the word “involuntarily” the fol-

3 lowing words: — or voluntarily.

1 SECTION 5. Chapter 175 of the General Laws is hereby  
2 amended by striking section 110G, as most recently amended  
3 by chapter 743 of the acts of 1979, and inserting in place  
4 thereof the following section: —

5 *Section 110G.* Whenever a member of a group hospital,  
6 surgical, or medical insurance plan, who has been employed  
7 for one year or more by the employer sponsoring the plan,  
8 other than one authorized under the provisions of chapter  
9 thirty-two A or chapter thirty-two B, discontinues or termi-  
10 nates employment, either voluntarily or involuntarily, the cov-  
11 erage originally provided by such plan for the member, his  
12 spouse and dependents, shall continue for a maximum period  
13 of fifty-two weeks from such discontinuance or termination, as  
14 provided herein.

15 For the purposes of this section, “employee group hospital,  
16 surgical or medical insurance plan” means a group medical,  
17 hospital, or surgical insurance plan to which contributions are  
18 made directly in whole or in part by members of the said  
19 group, or their spouses or dependents, or in whole by the  
20 employer, during a period when said members are actively  
21 employed by the employer sponsoring the plan. The employer  
22 or policyholder shall notify the member whose employment  
23 discontinues or terminates, the surviving spouse of a deceased  
24 member and dependents of their eligibility to participate in  
25 such plans. Such member, surviving spouse of a deceased  
26 member and dependents may elect to continue participation  
27 in such plan for up to fifty-two weeks from such discontin-  
28 uance or termination, by giving at least thirty days’ written no-  
29 tice thereof to the employer or policyholder and such member  
30 or spouse or dependents, as the case may be, shall be respon-  
31 sible for premiums due for such coverage to the employer or  
32 policyholder. After timely receipt of the premium payment  
33 from the responsible individual, if the employer or policyhold-  
34 er fails to make payment to the insurer or hospital or medical  
35 service corporation with the result that coverage is terminated,  
36 the employer or policyholder shall be liable for benefits to the  
37 same extent as the insurer or hospital or medical service cor-  
38 poration would have been liable if the coverage had not been

39 terminated. Timely receipt of premium payment shall mean  
40 the employer's or policyholder's receipt of the premium or  
41 subscription fee for the continued coverage from such mem-  
42 ber, surviving spouse or dependent, as the case may be, within  
43 the date or by the date indicated by the employer or policy-  
44 holder at the time of the election of continued coverage. Fail-  
45 ure to give such notice or to make such premium or subscrip-  
46 tion fee payment as hereinabove provided shall constitute a  
47 waiver of option to have such continued coverage.

1 SECTION 6. Chapter 176A of the General Laws is hereby  
2 amended by striking section 8D, as most recently amended by  
3 section 2 of chapter 743 of the acts of 1979, and inserting in  
4 place thereof the following: —

5 *Section 8D.* Whenever a subscriber of a contributory group  
6 non-profit hospital service contract, who has been employed  
7 for one year or more by the employer sponsoring the plan,  
8 other than one authorized under the provisions of chapter  
9 thirty-two A or thirty-two B, discontinues or terminates em-  
10 ployment, either voluntarily or involuntarily, the coverage  
11 originally provided by such contract for the subscriber and his  
12 dependents shall be continued for a maximum period of fifty-  
13 two weeks from such discontinuance or termination, as pro-  
14 vided herein.

15 For the purposes of this section, "contributory group non-  
16 profit hospital service contract" means a group non-profit hos-  
17 pital service contract to which contributions are made directly  
18 in whole or in part by members of said group, or their spouses  
19 or dependents, or in whole by the employer, during a period  
20 when said members are actively employed by the employer  
21 sponsoring the plan. The employer or policyholder shall notify  
22 the member whose employment discontinues or terminates,  
23 the surviving spouse of a deceased member and dependents of  
24 their eligibility to participate in such plan. Such member,  
25 surviving spouse of a deceased member and dependents may  
26 elect to continue participation in such plan for up to fifty-two  
27 weeks from such discontinuance or termination, by giving at  
28 least thirty days' written notice thereof the employer or pol-  
29 icyholder and such member or surviving spouse or dependents,  
30 as the case may be, shall be responsible for premiums due for

31 such coverage to the employer or policyholder. After timely  
32 receipt of the premium payment from the responsible individ-  
33 ual, if the employer or policyholder fails to make payment to  
34 the insurer or hospital or medical service corporation with the  
35 result that coverage is terminated, the employer or policy-  
36 holder shall be liable for benefits to the same extent as the  
37 insurer or hospital or medical service corporation would have  
38 been liable if the coverage had not been terminated. Timely  
39 receipt of premium payment shall mean the employer's or pol-  
40 icyholders' receipt of the premium or subscription fee for the  
41 continued coverage from such member, surviving spouse or  
42 dependent, as the case may be, within the dates or by the date  
43 indicated by the employer or policyholder at the time of the  
44 election of continued coverage. Failure to give such notice  
45 or to make such premium or subscription fee payment as  
46 hereinabove provided shall constitute a waiver of option to  
47 have such continued coverage.

1 SECTION 7. Chapter 176B of the General Laws is hereby  
2 amended by striking section 6A, as most recently amended by  
3 section 3 of chapter 743 of the acts of 1979, and inserting in  
4 place thereof the following: —

5 *Section 6A.* Whenever a subscriber of a contributory group  
6 non-profit medical service plan, who has been employed for  
7 one year or more by the employer sponsoring the plan, other  
8 than one authorized under the provisions of chapter thirty-  
9 two A or chapter thirty-two B, discontinues or terminates em-  
10 ployment, either voluntarily or involuntarily, the coverage  
11 originally provided by such contract for the subscriber and his  
12 dependents shall be continued for a maximum period of fifty-  
13 two weeks from such discontinuance or termination, as pro-  
14 vided herein.

15 For purposes of this section, "contributory group non-  
16 profit medical service plan" means a group non-profit medical  
17 service plan to which contributions are made directly in whole  
18 or in part by members of said group, their spouses or depen-  
19 dents, or in whole by the employer, during a period when  
20 said members are actively employed by the employer's spon-  
21 soring plan. The employer or policyholder shall notify the  
22 member whose employment discontinues or terminates, the

23 surviving spouse of a deceased member and dependents of  
24 their eligibility to participate in such plans. Such member,  
25 surviving spouse of a deceased member and dependents may  
26 elect to continue participation in such plan for a maximum  
27 period of fifty-two weeks by giving at least thirty days' writ-  
28 ten notice thereof to the employer or policyholder and such  
29 member or surviving spouse or dependents, as the case may  
30 be, shall be responsible for premiums due for such coverage  
31 to the employer or policyholder. After timely receipt of the  
32 premium payment from the responsible individual, if the em-  
33 ployer or policyholder fails to make payment to the insurer  
34 or hospital or medical service corporation with the result that  
35 coverage is terminated, the employer or policyholder shall be  
36 liable for benefits to the same extent as the insurer or hospital  
37 or medical service corporation would have been liable if the  
38 coverage had not been terminated. Timely receipt of premium  
39 payment shall mean the employer's or policyholder's receipt  
40 of the premium or subscription fee for the continued cover-  
41 age from such member, surviving spouse or dependent, as the  
42 case may be, within the dates or by the date indicated by the  
43 employer or policyholder at the time of the election of con-  
44 tinued coverage. Failure to give such notice or to make such  
45 premium or subscription fee payment as hereinabove provided  
46 shall constitute a waiver of option to have such continued cov-  
47 erage.

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