

SENATE . . . . . No. 592

---

By Mr. Backman, a petition (accompanied by bill, Senate, No. 592) of Jack H. Backman for legislation to provide uninterrupted medical insurance coverage for employees. Insurance.

---

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-nine.

AN ACT PROVIDING UNINTERRUPTED MEDICAL INSURANCE COVERAGE  
FOR EMPLOYEES.

*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. Chapter 175 of the General Laws is hereby  
2 amended by inserting after section 110G, inserted by section  
3 one of chapter 371 of the acts of 1976, the following sec-  
4 tion: —

5 *Section 110H.* Whenever a member of an employee group  
6 hospital, surgical or medical insurance plan, who has been  
7 employed for three years or more by the employer sponsoring  
8 the plan, discontinues or terminates employment, either vol-  
9 untarily or involuntarily, the coverage originally provided by  
10 such plan for the member, his spouse and dependents shall  
11 continue as provided herein.

12 For the purposes of this section, “employee group hospital,  
13 surgical or medical insurance plan” means a group medical,  
14 hospital, or surgical insurance plan to which contributions are  
15 made directly in whole or in part by members of the said  
16 group, or their spouses or dependents, or in whole by the  
17 employer, during a period when said members are actively  
18 employed by the employer sponsoring the plan. The employer  
19 or policyholder shall notify the member whose employment  
20 discontinues or terminates, the surviving spouse of a deceased  
21 member and dependents of their eligibility to participate in  
22 such plans. Such member, surviving spouse of a deceased  
23 member and dependents may elect to continue participation  
24 in such plan by giving at least thirty days written notice

25 thereof to the employer or policyholder and such member or  
26 spouse or dependents, as the case may be, shall be responsible  
27 for premiums due for such coverage to the employer or policy-  
28 holder. After timely receipt of the premium payment from  
29 the responsible individual, if the employer or policyholder fails  
30 to make payment to the insurer or hospital or medical service  
31 corporation with the result that coverage is terminated, the  
32 employer or policyholder shall be liable for benefits to the  
33 same extent as the insurer or hospital or medical service cor-  
34 poration would have been liable if the coverage had not been  
35 terminated. Timely receipt of premium payment shall mean  
36 the employer's or policyholder's receipt of the premium or  
37 subscription fee for the continued coverage from such mem-  
38 ber, surviving spouse or dependent, as the case may be, within  
39 the date or by the date indicated by the employer or policy-  
40 holder at the time of the election of continued coverage. Fail-  
41 ure to give such notice or to make such premium or subscrip-  
42 tion fee payment as hereinabove provided shall constitute a  
43 waiver of option to have such continued coverage.

1 SECTION 2. Chapter 176A of the General Laws is hereby  
2 amended by inserting after section 8D, inserted by section two  
3 of chapter 371 of the acts of 1976, the following section: —

4 *Section 8E.* Whenever a subscriber of a contributory group  
5 non-profit hospital service contract, who has been employed  
6 for three years or more by the employer sponsoring the plan,  
7 discontinues or terminates employment, either voluntarily or  
8 involuntarily, the coverage originally provided by such con-  
9 tract for the subscriber and his dependents shall be continued  
10 as provided herein.

11 For the purposes of this section, "contributory group non-  
12 profit hospital service contract" means a group non-profit hos-  
13 pital service contract to which contributions are made directly  
14 in whole or in part by members of said group, or their spouses  
15 or dependents, or in whole by the employer, during a period  
16 when said members are actively employed by the employer  
17 sponsoring the plan. The employer or policyholder shall notify  
18 the member whose employment discontinues or terminates,  
19 the surviving spouse of a deceased member and dependents of

20 their eligibility to participate in such plan. Such member,  
21 surviving spouse of a deceased member and dependents may  
22 elect to continue participation in such plan by giving at least  
23 thirty days written notice thereof to the employer or policy-  
24 holder and such member or surviving spouse or dependents,  
25 as the case may be, shall be responsible for premiums due for  
26 such coverage to the employer or policyholder. After timely  
27 receipt of the premium payment from the responsible individ-  
28 ual, if the employer or policyholder fails to make payment to  
29 the insurer or hospital or medical service corporation with the  
30 result that coverage is terminated, the employer or policy-  
31 holder shall be liable for benefits to the same extent as the  
32 insurer or hospital or medical service corporation would have  
33 been liable if the coverage had not been terminated. Timely  
34 receipt of premium payment shall mean the employer's or pol-  
35 icyholders' receipt of the premium or subscription fee for the  
36 continued coverage from such member, surviving spouse or  
37 dependent, as the case may be, within the dates or by the date  
38 indicated by the employer or policyholder at the time of the  
39 election of continued coverage. Failure to give such notice  
40 or to make such premium or subscription fee payment as  
41 hereinabove provided shall constitute a waiver of option to  
42 have such continued coverage.

1 SECTION 3. Chapter 176B of the General Laws is hereby  
2 amended by inserting after section 6A, inserted by section  
3 three of chapter 371 of the acts of 1976, the following sec-  
4 tion: —

5 *Section 6B.* Whenever a subscriber of a contributory group  
6 non-profit medical service plan discontinues or terminates em-  
7 ployment, either voluntarily, the coverage originally provided  
8 herein.

9 For the purposes of this section, "contributory group non-  
10 profit medical service plan" means a group non-profit medical  
11 service plan to which contributions are made directly in whole  
12 or in part by members of said group, their spouses or depen-  
13 dents, or in whole by the employer, during a period when  
14 said members are actively employed by the employer's spon-  
15 soring plan. The employer or policyholder shall notify the

16 member whose employment discontinues or terminates, the  
17 surviving spouse of a deceased member and dependents of  
18 their eligibility to participate in such plans. Such member,  
19 surviving spouse of a deceased member and dependents may  
20 elect to continue participation in such plan by giving at least  
21 thirty days written notice thereof to the employer or policy-  
22 holder and such member or surviving spouse or dependents, as  
23 the case may be, shall be responsible for premiums due for  
24 such coverage to the employer or policyholder. After timely  
25 receipt of the premium payment from the responsible individ-  
26 ual, if the employer or policyholder fails to make payment to  
27 the insurer or hospital or medical service corporation with the  
28 result that coverage is terminated, the employer or policyhold-  
29 er shall be liable for benefits to the same extent as the insurer  
30 or hospital or medical service corporation would have been  
31 liable if the coverage had not been terminated. Timely re-  
32 ceipt of premium payment shall mean the employer's or pol-  
33 icyholder's receipt of the premium or subscription fee for the  
34 continued coverage from such member, surviving spouse or  
35 dependent, as the case may be, within the dates or by the date  
36 indicated by the employer or policyholder at the time of the  
37 election of continued coverage. Failure to give such notice or  
38 to make such premium or subscription fee payment as herein-  
39 above provided shall constitute a waiver of option to have  
40 such continued coverage.