

HOUSE RESEARCH

Bill Summary

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Subject: Health Coverage for Young Adult Dependents

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Overview

This bill expands the minimum definition of dependent for purposes of private sector family health coverage, to include unmarried children under the age of 25, regardless of whether the child is a student. Under current law, family coverage must include a child between ages 19 and 25 only if the child is a full-time student or a disabled student taking a reduced course load.

Section 2 is the significant section. Section 1 is a change to conform to section 2.

Section

- 1** **Dependent.** Amends § 62E.02, subd. 7. Expands a definition of dependent to include an unmarried child under the age of 25 years. (Under current law, this section defines that term as an unmarried child under age 19 or a dependent child who is a student under the age of 25.) This definition of dependent is used only in chapter 62E in the requirements for being called a "qualified plan" and in connection with section 62E.19, which is preempted by federal law. Provides an effective date of January 1, 2008.
- 2** **Dependent.** Amends § 62L.02, subd. 11. For purposes of private sector family health coverage, expands the minimum definition of dependent to include an unmarried child under the age of 25 years. (Under current law, a dependent includes an unmarried child under age 19 or an unmarried child under the age of 25 who is a full-time student or who is a part-time student due to disability.) One might think that this current definition's placement in chapter 62L means that it applies only in the small employer insurance market. However, section 62A.302, provides that this minimum definition applies in the entire private sector health insurance market. The federal ERISA law preempts the state from

Section

imposing any requirements, including this one, on self-insured employer health plans.
Provides an effective date of January 1, 2008.

- 3** **Repealer.** Repeals § 62A.301 (modified definition of full-time student for persons who cannot carry a full-time course load due to illness, injury, or physical or mental disability). This current law relating to the definition of "full-time student" is no longer needed under this bill, because sections 1 and 2 of this bill make student status no longer relevant. Provides a January 1, 2008 effective date.