

Update on Michelle's Law - HR 2851

Seriously ill college students, covered as dependents, can continue their coverage for up to one year if a doctor orders a medically necessary leave of absence, as mandated by Michelle's Law.

The law, signed by President Bush on Oct. 8, 2008, applies to both group and individual health plans effective October 9, 2009. Group health plans with a calendar year plan must comply starting January 1, 2010. In addition, self-funded groups are required to comply, unless they opt out of coverage required by Michelle's Law.

Health plans are required to keep the dependent's coverage active during a medically necessary leave of absence until:

- One year after the first date of the medically necessary leave of absence, or
- The date coverage would otherwise terminate under the plan

In addition to these requirements, three additional criteria must be met:

- **Physician Certification** - Written certification from the treating physician that the dependent has a serious illness and/or injury requiring a medically necessary leave of absence.
- **Notice** - The health plan must provide a notice describing the terms of maintaining their coverage and the notice must be written in a way that a typical covered person would find understandable. Further, the notice will be included with any notice regarding a requirement for certification of student status under the health plan.
- **Benefits** - Coverage will remain the same as prior to the medically necessary leave of absence, except if there are changes in: coverage, insurance carrier, and/or fully insured to self funded or vice versa.

Below are answers to questions regarding Michelle's Law:

What conditions would apply to the medically necessary leave of absence?

Medically necessary leave of absence for a dependent enrolled in a post-secondary educational institution: begins due to a serious illness or injury, is medically necessary, and causes the child to lose student status under the terms of the plan.

Can an insurance carrier validate treatment?

Yes. An insurance carrier can validate treatment and validate that the medically necessary leave of absence is ordered by the treating physician.

What if the state does not have eligibility requirements tied to full time student status?

Michelle's law does not impact a plan if the state does not permit termination of a dependent child when the child is no longer a full-time student.

Are multiple leaves of absence covered or only one, twelve month period?

Multiple leaves of absence are allowed as long as they are certified by the treating physician and adhere to the criteria set forth in the law.

If a dependent/student reaches their maximum age before the leave of absence ends, does the dependent/student lose coverage?

Yes, since the maximum student age was reached, the coverage would no longer be active.