Fifty-ninth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 4, 2005

SENATE BILL NO. 2244
(Senator Brown)
(Representative Price)

AN ACT to amend and reenact subsection 9 of section 26.1-08-01, subsections 4 and 10 of section 26.1-08-12, and section 26.1-08-13 of the North Dakota Century Code, relating to eligibility for coverage under the comprehensive health association of North Dakota.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 9 of section 26.1-08-01 of the North Dakota Century Code is amended and reenacted as follows:

9. "Health insurance coverage" means any hospital and medical expense-incurred policy, nonprofit health care service plan contract, health maintenance organization subscriber contract, or any other health care plan or arrangement that pays for or furnishes benefits that pay the costs of or provide medical, surgical, or hospital care or, if selected by the eligible individual, chiropractic care. The term does not include:

   a. Coverage only for accident, disability income insurance, or any combination of the two;

   b. Coverage issued as a supplement to liability insurance;

   c. Liability insurance, including general liability insurance and automobile liability insurance;

   d. Workforce safety and insurance or similar insurance;

   e. Automobile medical payment insurance;

   f. Credit-only insurance;

   g. Coverage for onsite medical clinics; ~~or~~

   h. Other similar insurance coverage under which benefits for medical care are secondary or incidental to other insurance benefits;

   i. Limited scope dental or vision benefits;

   j. Benefits for long-term care, nursing home care, home health care, community-based care, or any combination of this care;

   k. Other similar limited benefits specified under federal regulations issued under the Health Insurance Portability and Accountability Act of 1996 [Pub. L. 104-191; 110 Stat. 1936; 29 U.S.C. 1181 et seq.];

   l. Coverage only for specified disease or illness;

   m. Hospital indemnity or other fixed indemnity insurance;

   n. Medicare supplemental health insurance as defined under section 1882(g)(1) of the federal Social Security Act [42 U.S.C. 1395ss(g)(1)];

o. Coverage supplemental to the coverage provided under chapter 55 of United States Code title 10 [10 U.S.C. 1071 et seq.] relating to armed forces medical and dental care; or

p. Similar supplemental coverage provided under a group health plan.

SECTION 2. AMENDMENT. Subsections 4 and 10 of section 26.1-08-12 of the North Dakota Century Code are amended and reenacted as follows:

4. An individual may qualify to enroll in the association for benefit plan coverage as:

a. A standard applicant:

(1) An individual who has been a resident of this state ~~for one hundred eighty-three days~~ and continues to be a resident of the state who has received from at least one insurance carrier within one hundred ~~eighty-three~~ eighty days of the date of application, one of the following:

(a) Written evidence of rejection or refusal to issue substantially similar insurance for health reasons by one insurer.

(b) Written evidence that a restrictive rider or a preexisting condition limitation, the effect of which is to reduce substantially, coverage from that received by an individual considered a standard risk, has been placed on the individual's policy.

(c) Refusal by an insurer to issue insurance except at the rate exceeding the association benefit rate.

(2) Is not eligible for the state's medical assistance program.

b. A Health Insurance Portability and Accountability Act of 1996 applicant:

(1) An individual who meets the federally defined eligibility guidelines as follows:

(a) Has had eighteen months of qualifying previous coverage as defined in section 26.1-36.3-01, the most recent of which is covered under a group health plan, governmental plan, or church plan;

(b) Has applied for coverage under this chapter within sixty-three days of the termination of the qualifying previous coverage;

(c) Is not eligible for coverage under a group health benefit plan as the term is defined in section 26.1-36.3-01, medicare, or medicaid;

(d) Does not have any other health insurance coverage;

(e) Has not had the most recent qualifying previous coverage described in subparagraph a terminated for nonpayment of premiums or fraud; and

(f) If offered under the option, has elected continuation coverage under the federal Consolidated Omnibus Budget Reconciliation Act [Pub. L. 99-272; 100 Stat. 82], or under a similar state program, and that coverage has exhausted.

(2) Is and continues to be a resident of the state.

(3) Is not eligible for the state's medical assistance program.

c. An applicant age sixty-five and over or disabled:

(1) An individual who is eligible for medicare by reason of age or disability and has been a resident of this state ~~for one hundred eighty-three days~~ and continues to be a resident of this state who has received from at least one insurance carrier within one hundred ~~eighty-three~~ eighty days of the date of application, one of the following:

(a) Written evidence of rejection or refusal to issue substantially similar insurance for health reasons by one insurer.

(b) Written evidence that a restrictive rider or a preexisting condition limitation, the effect of which is to reduce substantially, coverage from that received by an individual considered a standard risk, has been placed on the individual's policy.

(c) Refusal by an insurer to issue insurance except at the rate exceeding the association benefit rate.

(2) Is not eligible for the state's medical assistance program.

d. A Trade Adjustment Assistance Reform Act of 2002 applicant:

(1) A trade adjustment assistance, pension benefit guarantee corporation individual applicant who:

(a) Has three or more months of previous health insurance coverage at the time of application;

(b) Has applied for coverage within sixty-three days of the termination of the individual's previous health insurance coverage;

(c) Is and continues to be a resident of the state;

(d) Is not enrolled in the state's medical assistance program;

(e) Is not an inmate or a resident of a public institution; and

(f) Does not have health insurance coverage through:

[1] The spouse's employer if the coverage provides for employer contribution of fifty percent or more of the cost of coverage of the spouse, the eligible individual, and the dependents or the coverage is in lieu of an employer's cash or other benefit under a cafeteria plan.

[2] A state's children's health insurance program, as defined under section 50-29-01.

[3] A government plan.

[4] Chapter 55 of United States Code title 10 [10 U.S.C. 1071 et seq.] relating to armed forces medical and dental care.

[5] Part A or part B of title XVIII of the federal Social Security Act [42 U.S.C. 1395 et seq.] relating to health insurance for the aged and disabled.

(2) Coverage under this subdivision may be provided to an individual who is eligible for health insurance coverage through the federal Consolidated Omnibus Budget Reconciliation Act of 1985 [Pub. L. 99-272; 100 Stat. 82]; a spouse's employer plan in which the employer contribution is less than fifty

percent; or the individual marketplace, including continuation or guaranteed issue, but who elects to obtain coverage under this subdivision.

10. Preexisting conditions.

    a. Association coverage must exclude charges or expenses incurred during the first one hundred eighty days following the effective date of coverage for any condition for which medical advice, diagnosis, care, or treatment was recommended or received during the ~~ninety~~ one hundred eighty days immediately preceding the date of the application.

    b. Association coverage must exclude charges or expenses incurred for maternity during the first two hundred seventy days following the effective date of coverage.

    c. Any individual with coverage through the association due to a catastrophic condition or major illness who is also pregnant at the time of application is eligible for maternity benefits after the first one hundred eighty days of coverage.

    d. A preexisting condition may not be imposed on an individual who is eligible under subdivision b or d of subsection 4.

SECTION 3. AMENDMENT. Section 26.1-08-13 of the North Dakota Century Code is amended and reenacted as follows:

26.1-08-13. Termination of coverage. The coverage of an individual who ceases to meet the eligibility requirements of this chapter may be terminated at the end of the policy period for which the necessary premiums have been paid. Coverage under this chapter terminates:

1. Upon request of the covered ~~person~~ individual.

2. For failure to pay the required premium subject to a thirty-one-day grace period.

3. When the one million dollar lifetime maximum benefit amount has been reached.

4. If the covered ~~person~~ individual qualifies for health benefits under the state's medical assistance program.

5. If the covered individual physically resides outside this state for more than one hundred eighty-two days of each calendar year, except for an individual who is absent from the state for a verifiable medical reason as determined by the board.

6. At the option of the plan, thirty days after the plan makes an inquiry concerning the individual's eligibility or place of residence to which the individual does not reply.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-ninth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2244.

Senate Vote:	Yeas	43	Nays	0	Absent	4
House Vote:	Yeas	84	Nays	9	Absent	1

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2005.

Approved at _____ M. on _____, 2005.

Governor

Filed in this office this _____ day of _____, 2005,

at _____ o'clock _____ M.

Secretary of State