

These FAQs are intended to provide an overview of Michelle's Law specifically as it applies to health care plans.

## Michelle's Law (US 2008 HR 2851) Frequently Asked Questions

### 1. What is the basic structure of the new law?

This law requires health care plans and issuers of health insurance coverage to continue coverage for college students who are forced to take a leave of absence or change their enrollment status due to serious illness or injury.

### 2. What types of health coverage are subject to Michelle's Law?

This law applies to Group and Individual Medical (HMO, PPO, Indemnity), Pharmacy, Dental, Behavioral Health and Vision. Michelle's Law does not apply to Medicare Supplement. **Funding Type:** The law applies to fully insured, minimum premium insured, self-funded non-ERISA and self-funded ERISA plans.

### 3. What takes priority — state or federal parity legislation?

Whichever is the more demanding will prevail. The state laws remain subject to the broad preemption language in ERISA, and will generally only apply to fully insured plans, and possibly self-funded non-ERISA plans. Standard preemption provisions of state law apply; therefore, Michelle's Law would preempt state insurance law to the extent that state law would prevent the application of Michelle's Law.

### 4. The law states that an eligible dependent may continue coverage for up to 12 months. Are we going to cover the entire 12 months, as required by the mandate?

Yes. We will cover the entire 12 months as required by the mandate. The coverage must continue until the earlier of the date that is 1 year after the first day of the leave or the date the coverage would have otherwise terminated.

### 5. What is the expectation when the 12-month continuance eclipses the dependent's birth date and puts the dependent over the maximum student age?

Michelle's Law applies only when the dependent is eligible under the terms of the plan or health insurance coverage by virtue of his or her student status. This means that when the plan's maximum policy age is met, the student's coverage will terminate and they will be offered continuation coverage through COBRA, state continuation or a conversion policy, if available.

### 6. What does the federal law define as the maximum student age?

Michelle's Law will not have an impact on state laws that generally require coverage for all dependents, regardless of student status, through a specified age. Michelle's Law applies only when the dependent is eligible under the terms of the plan or health insurance coverage by virtue of his or her student status. This means that when the plan's maximum policy age is met, the student's coverage will terminate and they will be offered continuation coverage through COBRA, state continuation or a conversion policy, if available.

### 7. What defines a serious illness?

Serious illness is defined by medical necessity which is certified by the dependent's physician.

### 8. Are pharmacy benefits considered under medical?

Yes. Pharmacy benefits should be considered under Medical.

### 9. When do the provisions of the federal Michelle's Law go into effect?

The requirements of the new law are effective October 9, 2009, and apply to all policies that are issued or renewed on or after that date.