AMENDMENT TO H.R. 2851
OFFERED BY MR. PALLONE

[As forwarded by the Subcommittee on Health]

Amend section 2(b) to read as follows:

(b) AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT.—

(1) GROUP MARKETS.—Subpart 2 of part A of title XXVII of the Public Health Service Act (42 U.S.C. 300gg–4 et seq.) is amended by adding at the end the following new section:

“SEC. 2707. COVERAGE OF DEPENDENT STUDENTS ON MEDICALLY NECESSARY LEAVE OF ABSENCE.

“(a) MEDICALLY NECESSARY LEAVE OF ABSENCE.—In this section, the term ‘medically necessary leave of absence’ means, with respect to a dependent child described in subsection (b)(2) in connection with a group health plan, a leave of absence of such child from a postsecondary educational institution (including an institution of higher education as defined in section 102 of the Higher Education Act of 1965), or any other change in enrollment of such child at such an institution, that—

“(1) commences while such child is suffering from a serious health condition;
“(2) is medically necessary; and

“(3) causes such child to lose student status for purposes of coverage under the terms of the plan.

“(b) REQUIREMENT TO CONTINUE COVERAGE.—

“(1) IN GENERAL.—In the case of a dependent child described in paragraph (2), a group health plan (or a health insurance issuer that provides health insurance coverage in connection with a group health plan) shall not terminate coverage of such child under such plan or health insurance coverage due to a medically necessary leave of absence before the date that is the earlier of—

“(A) the date that is 1 year after the first day of the medically necessary leave of absence; or

“(B) the date on which such coverage would otherwise terminate under the terms of the plan or health insurance coverage.

“(2) DEPENDENT CHILD DESCRIBED.—A dependent child described in this paragraph is, with respect to a group health plan, a beneficiary under the plan who—

“(A) is a dependent child, under the terms of the plan, of a participant or beneficiary of the plan; and
“(B) was enrolled in the plan (or health insurance coverage offered in connection with the plan), on the basis of being a student at a post-secondary educational institution (as described in subsection (a)), immediately before the first day of the medically necessary leave of absence involved.

“(3) Certification by Physician.—Paragraph (1) shall not apply to a group health plan (or health insurance coverage offered by an issuer in connection with a group health plan) unless certification by a treating physician of the child is submitted to the plan or issuer stating that the dependent child is suffering from a serious health condition and that the leave of absence (or other change of enrollment) described in subsection (a) is medically necessary.

“(c) Notice.—A group health plan, and a health insurance issuer providing health insurance coverage in connection with a group health plan, shall include, with any notice regarding a requirement for certification of student status for coverage under the plan or coverage, a description of the terms of this section for continued coverage during medically necessary leaves of absence. Such de-
scription shall be in language which is understandable to
the typical plan participant.

“(d) NO CHANGE IN BENEFITS.—A dependent child
whose benefits are continued under this section shall be
entitled to the same benefits as if (during the medically
necessary leave of absence) the child continued to be a
covered student at the institution of higher education and
was not on a medically necessary leave of absence.

“(e) COVERAGE UNDER SUCCESSOR PLAN.—If a
plan sponsor changes group health plans after the first
day of a medically necessary leave of absence of a depend-
ent child described in subsection (b) but before the date
described under subsection (b)(1), and such new group
health plan offers coverage of beneficiaries as dependent
children, such new group health plan shall be subject to
this section in the same manner as the predecessor group
health plan.”.

(2) INDIVIDUAL MARKET.—Subpart 3 of part B
of title XXVII of such Act (42 U.S.C. 300gg–51 et
seq.) is amended by adding at the end the following
new section:

“SEC. 2753. COVERAGE OF DEPENDENT STUDENTS ON
MEDICALLY NECESSARY LEAVE OF ABSENCE.

“The provisions of section 2707 shall apply to health
insurance coverage offered by a health insurance issuer
in the individual market in the same manner as they apply to health insurance coverage offered by a health insurance issuer in connection with a group health plan in the small or large group market.”.