

§ 1399.62. Extension of benefits

(a) Every contract containing hospital, medical, or surgical expense benefits

or service benefits shall contain a reasonable extension of such benefits upon discontinuance of the contract with respect to employees or dependents who become totally disabled while enrolled under the contract on or after the date this article becomes applicable to such contract and who continue to be totally disabled at the date of discontinuance of the contract.

(b) Every contract providing hospital, medical or surgical expense benefits or service benefits shall be deemed to include a reasonable extension of such benefits upon discontinuance of the contract if it provides benefits for covered services directly relating to the condition causing total disability existing at the time dues payments cease for the employee or dependent and incurred during a period of not less than 12 months thereafter, which period shall not be interrupted by discontinuance of the contract.

That extension of benefits may be terminated at such time as the employee or dependent is no longer totally disabled or at such time as a succeeding carrier may elect to provide replacement coverage to that employee or dependent without limitation as to the disabling condition.

(c) The services provided during any extension of benefits may be subject to all limitations or restrictions contained in the contract.

HISTORY:

Added Stats 1977 ch 64 § 2, effective May 18, 1977. Amended Stats 1983 ch 888 § 1.

§ 1399.63. Required coverage following discontinuance of prior contract or policy

(a) Any carrier providing replacement coverage with respect to hospital, medical or surgical expense or service benefits within a period of 60 days from the date of discontinuance of a prior contract or policy providing such hospital, medical or surgical expense or service benefits shall immediately cover all employees and dependents who were validly covered under the previous contract or policy at the date of discontinuance, including all former employees entitled to continuation coverage under Section 1373.621, who are within the definitions of eligibility under the succeeding carrier's contract and who would otherwise be eligible for coverage under the succeeding carrier's contract, regardless of any provisions of the contract relating to active full-time employment or hospital confinement or pregnancy. However, with respect to employees or dependents who are totally disabled on the date of discontinuance of the prior carrier's contract or policy and entitled to an extension of benefits pursuant to subdivision (b) of Section 1399.62, or pursuant to subdivision (d) of Section 10128.2 of the Insurance Code, the succeeding carrier is not required to provide benefits for services or expenses directly related to any conditions which caused the total disability.

(b) Except as otherwise provided in subdivision (a), until an employee or dependent entitled to coverage under a succeeding carrier's contract pursuant to subdivision (a) of this section qualifies for full benefits by meeting all effective date requirements of the succeeding carrier's contract, the level of benefits shall not be lower than the benefits provided under the prior carrier's contract or policy reduced by the amount of benefits paid by the prior carrier. Such employee or dependent shall continue to be covered by the succeeding carrier until the earlier of the following dates:

(1) The date coverage would terminate for an employee or dependent in accordance with the provisions of the succeeding carrier's contract, or

(2) In the case of an employee or dependent who was totally disabled on the date of discontinuance of the prior carrier's contract or policy and entitled to an extension of benefits pursuant to subdivision (d) of Section 10128.2 of the Insurance Code or subdivision (b) of Section 1399.62, the date the period of extension of benefits terminates or, if the prior carrier's contract or policy is not subject to this article, the date to which benefits would have been extended had the prior carrier's contract or policy been subject to this article.

(c) Except as otherwise provided in this section, and except to the extent that benefits for the condition would have been reduced or excluded under the prior carrier's contract or policy, no provision in a succeeding carrier's contract of replacement coverage which would operate to reduce or exclude benefits on the basis that the condition giving rise to benefits preexisted the effective date of the succeeding carrier's contract shall be applied with respect to those employees, former employees entitled to continuation coverage under Section 1373.621, and dependents validly covered under the prior carrier's contract or policy on the date of discontinuance.

(d) In a situation where a determination of the prior carrier's benefit is required by the succeeding carrier, at the succeeding carrier's request, the prior carrier shall furnish a statement of benefits available or pertinent information, sufficient to permit verification of the benefit determination by the succeeding carrier.

(e) For purposes of subdivision (a), a succeeding carrier's coverage shall not exclude any dependent child who was covered by the previous carrier solely because the plan member does not provide the primary support for that dependent child.

(f) Except to the extent that benefits for the condition would have been reduced or excluded under the prior carrier's contract or policy, no provision in the succeeding carrier's contract, where an employee changes carriers due to a change in employment or other circumstances, that would operate to reduce or exclude benefits for the following congenital craniofacial anomalies: cleft lip and palate (as defined in ICD-9-CM Diagnosis Code 749, International Classification of Diseases, 9th Revision, Clinical Modification, Volume 1, Second Edition, September, 1980), acrocephalosyndactyly (as defined in ICD-9-CM Diagnosis Code 755.55, cranio only), and other congenital musculoskeletal anomalies (as defined in ICD-9-CM Diagnosis Code 756.0), on the basis that the condition giving rise to benefits preexisted the effective date of the succeeding carrier's contract, shall be applied to those employees, former employees entitled to continuation coverage under Section 1373.621, and dependents validly covered under the prior carrier's contract or policy on the date the prior contract or policy terminated when payment or services had been commenced by the previous carrier. That succeeding coverage shall otherwise be subject to all other provisions of the contract between the insured and the succeeding carrier. Nothing in this subdivision shall be construed to limit or otherwise affect any obligation of a succeeding carrier to provide benefits for a condition not specified in this subdivision, where expressly or impliedly required by other provisions of this chapter; this subdivision is not

intended to affect the construction of the language of any other provision of this chapter.

HISTORY:

Added Stats 1977 ch 64 § 2, effective May 18, 1977. Amended Stats 1983 ch 888 § 2; Stats

1986 ch 476 § 1; Stats 1991 ch 685 § 1 (SB 761); Stats 1995 ch 489 § 2 (SB 761), effective January 1, 1996.