



Michelle's Law Protects Students' Health Insurance

New federal legislation will protect the health insurance coverage of students under the age of 22 who must take medical leave from their college and are covered by their parents' insurance. This legislation, "Michelle's Law," was signed into law as Public Law 110-381 on October 9, 2008.¹ Named after Michelle Morse, a student at Plymouth (NH) State University who died in 2005 after battling colon cancer, the law prohibits group health insurers from terminating coverage of a dependent student during a medical leave of absence (or other medically necessary reductions in the student's enrollment) from post-secondary educational institutions. The law ensures coverage lasting up to one year from the start of the medical leave.

In order for a student to continue coverage during a medical leave, the insurer must receive written notice from the student's physician of a medical condition that warrants a leave of absence or reduction in the student's enrollment. Upon notification, insurers must provide to the student a clear description of the terms of the continued coverage. The benefits package received by a student during a medically necessary leave of absence or reduced enrollment must not differ from the benefits the student would receive while not on medically necessary leave. If a family changes policies or insurers during this time, these same rules apply and the student must be provided the same new benefits package as other plan subscribers.

There is also a provision in the law that requires health plans to provide a simple explanation of the terms for continued coverage due to a medical leave or change in enrollment status for medical reasons. This notification should be included with any notice regarding a requirement for certification of student status for coverage under the plan. For more information, see the full text of the law at <http://www.govtrack.us/congress/billtext.xpd?bill=h110-2851>.

This law builds on protections that are already in place in some states. Several states have laws requiring coverage of dependents up to a certain age (ranging from 21-26 or older) for reasons not tied to post-secondary education. Some states, such as California, Wisconsin and New Hampshire, adopted similar legislation prior to the enactment of the federal law. As a result, Michelle's Law will not likely affect many students, but it is a

¹ Michelle's law amends the Employee Retirement Security Act of 1974, the Public Health Service Act, and the Internal Revenue Code of 1986.

crucial safeguard for those that it will. It is estimated that less than one percent of students go on medical leave of absence annually and of these only 50 percent have group health insurance coverage.

The law takes effect on October 9, 2009, one year after enactment. Plans which are renewed at the beginning of the year will have to comply with it as of January 1, 2010. Regulations regarding implementation will be issued by the Department of Labor.