

# One Hundred Second Legislature - First Session - 2011

## Introducer's Statement of Intent

### LB422

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**Chairperson: Senator Rich Pahls**

**Committee: Banking, Commerce and Insurance**

**Date of Hearing: February 14, 2011**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The intent of LB 422 is to provide parallel avenues of continuous coverage into the Comprehensive Health Insurance Pool (CHIP), if an individual meets all other qualifications for CHIP eligibility, through the purchase of a short-term health insurance policy:

- If such individual elected coverage under a short-term health insurance policy comparable in both election and duration to COBRA and exhausted such policy;
- If such individual elected coverage under a short-term health insurance policy as an alternative to continuation coverage under 44-1640 and the duration of the policy was at least 12 months and exhausted such policy; or
- If such individual was not eligible for continuation coverage under state or federal law, the individual would be eligible for continuous coverage into CHIP following the election, within the time period to that required for continuation coverage under COBRA, and exhaustion a short-term policy for a duration of at least 12 months and exhausted such policy.

LB 422 also includes a provision that would require an insurer offering a short-term health insurance policy that does not fulfill the above provisions shall include a written notice on the application that the policy does not conform to Nebraska law guaranteeing continuity of coverage into CHIP and that electing such policy will disqualify the applicant from guaranteed continuous coverage.

**Principal Introducer:** \_\_\_\_\_

**Senator Jeremy Nordquist**