



## INFORMATION OF IMPORTANCE

**Date:** October 29, 2008  
**To:** Our Valued Clients and Friends  
**From:** Anita Drew, Vice President  
**Subject:** Michelle's Law Extends Eligibility for College-Age Dependents

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H.R. 2851, also known as Michelle's Law, was enacted October 9, 2008. The law was inspired by a New Hampshire student of Plymouth State University, Michelle Morse, who died at 22 of colon cancer. While doctors advised her to cut down on her course load during chemotherapy, she could not do so because that would have meant losing insurance coverage. The state of New Hampshire passed Michelle's Law to extend coverage during a medically necessary leave on June 22, 2006. A federal version of the law (H.R. 2851) was signed by President Bush October 9, 2008 that allows college students to take up to one year off school for medical reasons and remain on their family's health insurance.

Michelle's Law amends the Employee Retirement Income Security Act of 1974 (ERISA), the Public Health Service Act, and the Internal Revenue Code to prohibit a group health plan from terminating coverage of a dependent child due to a medically necessary leave of absence from a postsecondary educational institution (or any other change in enrollment at that institution) that begins while the child is suffering from a severe illness or injury and causes the child to lose full-time student status.

Coverage must be maintained until the earlier of:

- 1) one year after the first day of the medically necessary leave of absence, or
- 2) the date on which such coverage would otherwise terminate under the terms of the plan.

Michelle's law requires the preservation of plan eligibility when that eligibility would have otherwise ended due to the child ceasing to be a full-time student. The child is entitled under the law to the same benefits during the medically necessary leave of absence as he/she had as a full-time student and not on leave. The child would then be eligible for COBRA upon the expiration of the coverage termination.

Written certification required: The child's attending physician must provide written certification that the child is suffering from a severe illness or injury and that the leave of absence is medically necessary to benefit from this option.

Health Plan Notice: The health plan (and a health insurance issuer providing coverage in connection with a health plan) is required to provide notification, in plain language, describing the terms of the continued coverage available under this law. This description should be included with any notice regarding a requirement for certification of student status for coverage under the plan.

Effective Date: Michelle's law is to be effective for plan years beginning one year after the date of enactment. For calendar year plans, the effective date is January 1, 2010.

If you have any questions, please feel free to contact us by phone (913) 647-1580 or by e-mail, [rjdutton@rjdutton.com](mailto:rjdutton@rjdutton.com)

Thank you for the opportunity to be of service.