

## DEPENDENT TO AGE 26 FACT SHEET

### Which groups are affected?

All individuals and groups, including small, large, self-insured, direct pay, and Healthy NY are affected, EXCEPT the following:

- Medicare
- Medicaid
- Family Health Plus
- Child Health Plus
- Stand alone dental/vision products

### What is the general requirement?

If a group health plan or health care issuer offers dependent coverage for children, it must make such coverage available for children until the age of 26. Coverage for dependents cannot vary based on age, and the dependents must be offered all the benefit packages available to similarly situated individuals who would not otherwise lose coverage.

### Which dependents are covered under this new requirement?

A “dependent” is identified from the relationship between the parent and the child. It includes any child up to the age of 26, whether that child is married, a student, is employed, and/or has coverage available through a non-parent.\*\* Spouses and children of the dependent are not required to be covered under this mandate.<sup>1</sup>

\*\*There is an exception for grandfathered plans: For plan years prior to January 1, 2014, a dependent does not have to be covered under such plan if the child is eligible for coverage under a plan other than a group health plan of a parent. For plan years after January 1, 2014, grandfathered plans must completely adhere to the Dependent to Age 26 requirements, and this exception no longer applies.

### When will dependents up to age 26 be covered?

Groups and health insurance issuers are required to apply the coverage requirement to policies and plans that begin on or after September 23, 2010. For example, a group that renews its health plan on January 1, 2011 will be required to offer coverage to dependents up to the age of 26 upon renewal, and those dependents can be enrolled in their parent’s health plan.

In the event either of the circumstances below is met, the group health plan and health issuer must provide the dependent with an opportunity to enroll in the group health plan:

- The dependent’s coverage ended or was denied before the age of 26; or
- The dependent becomes eligible for coverage due to age under the group health plan for renewals on, or after, September 23, 2010.

---

<sup>1</sup> CDPHP is checking with the New York State Insurance Department with regard to the restrictions, if any, under which the child has to be affiliated with the parent (e.g., the natural child, legally adopted child, or step-child of the parent).

*Many of the provisions of the health care reform legislation will require regulatory implementation and/or federal and state direction.*

*The materials presented here should not be construed as legal or compliance advice, or any other type of opinion on health care reform.*

# Health Care Reform Update



In either of these circumstances, the group health plan and issuer are required to give the dependent an opportunity to enroll, which is provided via written notification, and the enrollment period continues for at least 30 days. The notice may be provided to an employee on behalf of the employee's child and may be included with other plan materials. Coverage must begin no later than the first day of the first plan year beginning on or after September 23, 2010.

If, prior to the enactment of the law and the promulgation of the regulations, a dependent's parent switched plans because the child either aged out of the plan or otherwise became ineligible for coverage, and the child is under the age of 26, the parent and the child are entitled to enroll in a plan that allows for coverage of his or her dependent.

*For example: **Group health plan begins on January 1, 2010 and ends on December 31, 2010.** Sally, age 23, had coverage through her mom's employer and her mom chose a family plan so Sally would be covered. On March 1, 2010, Sally becomes ineligible for coverage and elects COBRA. Sally's mom switches to an individual plan offered by her employer. Sally's mom and Sally would be entitled to enroll in a different plan that is to begin no later than January 1, 2011.*

## **How is the above being carried out now that CDPHP has become an early adopter of the Dependent to Age 26 requirements?**

To support our members, CDPHP has elected to become an early adopter of the requirement. This means for those who would normally age out or otherwise become ineligible as a dependent on, or after May 1, 2010, CDPHP will cover these children until the plan is renewed. For commercial groups, the group may opt out of this coverage gap. For self-insured groups, the group must opt in to the coverage gap.

PLEASE NOTE: For FEHBP participants, the Dependent to Age 26 requirements will take effect on January 1, 2011. They are excluded from CDPHP early adoption.

In the event a group does not opt out of the coverage gap and/or a self-insured group opts in to the coverage gap, beginning May 1, 2010, CDPHP will continue to provide health benefits to dependents that—due to age, student status, or other factors—would otherwise become ineligible for their parent's health coverage.

This extension of coverage will not be retroactive. However, coverage can be made available through the Young Adult Option allowed by New York state. In addition, the dependent who previously aged out or became ineligible under the plan can be added back to the plan upon the next open enrollment period.

*For example:*

- 1. Group health plan begins on January 1, 2010 and ends on December 31, 2010, and the group decided not to opt out of the coverage gap.** Sam, age 22, was previously covered under the health plan as a student. Sam graduates from college or is no longer qualified as a student as of June 1, 2010. Since CDPHP became an early adopter of the Dependent to Age 26 requirements, Sam is entitled to continue on his parent's plan as a dependent.
- 2. Group health plan begins on January 1, 2010 and ends on December 31, 2010, and the group decided not to opt out of the coverage gap.** Jane, age 25, was a dependent on her parent's group health plan. Jane married on May 30, 2010 and was no longer eligible as a dependent under the current plan since dependents did not include married children. Jane will be allowed to continue as a dependent on her parent's health plan regardless of her marriage status.

*Many of the provisions of the health care reform legislation will require regulatory implementation and/or federal and state direction. The materials presented here should not be construed as legal or compliance advice, or any other type of opinion on health care reform.*

*Examples continued:*

3. **Group health plan begins on January 1, 2010 and ends on December 31, 2010, and the group opted out of the coverage gap.** Steve, age 24, became ineligible for coverage due to loss of dependent status on April 1, 2010. Since the group opted out of the coverage gap, Steve will not be able to enroll as a dependent until the group renews its plan on January 1, 2011. However, in the meantime, Steve would be able to elect coverage under the Young Adult Option allowed by New York state.
4. **Group health plan begins on January 1, 2010 and ends on December 31, 2010. Group elected to add the Age to 29 rider onto coverage per New York state requirements.** Charlie, age 25, is unmarried and has coverage per this rider. The group will not need to do anything with regard to Charlie's coverage until renewal. Upon renewal on January 1, 2011, Charlie will be covered under the federal Dependents to Age 26 mandate until he turns 26, at which point he may be eligible under the NYS Age 29 rider if he meets applicable criteria.
5. **Group health plan begins on January 1, 2010 and ends on December 31, 2010. Group elected to add the Age to 29 rider onto coverage per New York state requirements.** Todd, age 25, gets married and become ineligible for coverage under the Age to 29 rider prior to May 1, 2010. He would be eligible for coverage under the federal Dependents to Age 26 requirements upon renewal. However, when Todd turns 26, he will no longer be eligible for coverage under either the NYS Age to 29 rider or the federal Dependents to Age 26 requirements because he is married and 26 years of age.

*Many of the provisions of the health care reform legislation will require regulatory implementation and/or federal and state direction. The materials presented here should not be construed as legal or compliance advice, or any other type of opinion on health care reform.*