

**New Law Fact Sheet: Patient Protection & Affordable Care Act/Dependent Coverage to Age 26 (updated 10/1/10)**

Item	Detail
Background	<ul style="list-style-type: none"> <li>• Part of Health Care Reform; adult children dependents are covered until age 26</li> </ul>
Scope of Law	<ul style="list-style-type: none"> <li>• Applies to self-funded groups</li> <li>• Grandfathered groups; adult children to age 26 is only available if the child is not eligible for coverage through an employer.</li> <li>• Grandfathered status is until 2014, then coverage must be made available to all adult children, even if they have other coverage available to them.</li> </ul>
Highlights of the Law	<ul style="list-style-type: none"> <li>• Plans must comply no later than the first day of the plan year beginning on or after September 23, 2010.</li> <li>• The law requires that if coverage for dependent children is provided, then coverage must be made available for an adult child until the child turns 26.</li> <li>• Covered dependents include: sons, daughters, step-children, adopted children and foster children.</li> <li>• The adult child does not have to be financially dependent upon the subscriber</li> <li>• The adult child does not have to reside with the subscriber</li> <li>• Adult children who are married are eligible</li> <li>• Grandchildren (children of the eligible dependent are not required to be covered</li> <li>• Plans covering grandchildren, niece/nephews may impose dependency or other factors.</li> <li>• For non-Grandfathered groups, adult children that are <i>eligible</i> for other group health coverage are eligible for coverage under the plan.</li> <li>• No additional premium/surcharges, other than family premium will be required.               <ul style="list-style-type: none"> <li>• The regulation permits an additional premium for family coverage, as long as it doesn't vary by age. But, no additional premium can be charged only for the adult child.</li> </ul> </li> <li>• COBRA               <ul style="list-style-type: none"> <li>• If an adult child has COBRA, s/he can re-enroll as a dependent</li> <li>• The adult child would then be eligible for COBRA again upon the occurrence of a qualifying event (e.g. reaching 26)</li> </ul> </li> <li>• Intersection w/NY Law Re: Age 29               <ul style="list-style-type: none"> <li>• There is no change to coverage to age 29.                   <ul style="list-style-type: none"> <li>• Client can still purchase rider to age 29</li> <li>• Unmarried, ineligible for employer group coverage, live/work or reside in insurer's service area.</li> </ul> </li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>• For individuals who purchased the extended coverage to age 29, will need to determine whether to continue this benefit or instead opt for 36 months of COBRA. COBRA will only last <i>to</i> age 29, rather than through, but there are no eligibility restrictions as there are with the extended coverage. If the individual chooses the extended coverage and then fails to meet the eligibility requirements, they will <i>not</i> be eligible for COBRA at that time.</li> <li>• Not Addressed; therefore at Client Discretion             <ul style="list-style-type: none"> <li>• Termination provisions once dependent reaches age 26:</li> <li>• Birthday, end of month, end of year, etc.</li> </ul> </li> </ul>
Transitional/Special Enrollment Period	<ul style="list-style-type: none"> <li>• There is a 30-day special open enrollment period for adult children who previously aged off or were never enrolled based on the fact they exceeded the age for dependent coverage when the parent enrolled.</li> <li>• Like any other special enrollment periods, new elections and changes must be permitted. After the special open enrollment period, Plans/Sponsors can limit enrollment to annual open enrollment periods.</li> </ul>
Impact to Clients	<ul style="list-style-type: none"> <li>• Written Notice             <ul style="list-style-type: none"> <li>• As part of the enrollment period, a written notice must be provided that includes a statement that individuals who aged off or were denied enrollment due to age may now enroll.</li> <li>• The Department of Labor has provided model language for this notice on their website: <a href="http://www.dol.gov/ebsa/">http://www.dol.gov/ebsa/</a> or you can find it on EBS-RMSCO's website as well.</li> <li>• The notice period must begin no later than the 1<sup>st</sup> day of the plan year immediately following September 23, 2010.</li> <li>• In addition, the notice may be sent with other annual open enrollment materials so long as it is prominent</li> </ul> </li> </ul>