

CLIENT ALERT

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Understanding Dependents to age 26....

The mandate to cover children to age 26 technically goes into effect on the first renewal on or after September 23, 2010. Most carriers have made an administrative decision to allow any child who will lose coverage this May/June to continue on their parent's plan.

The Definition of Dependent has been changed in order to significantly increase the availability of coverage. Below is an excerpt from the interim regulations:

"(b) Restrictions on plan definition of dependent. With respect to a child who has not attained age 26, a plan or issuer may not define dependent for purposes of eligibility for dependent coverage of children other than in terms of a relationship between a child and the participant (in the individual market, the primary subscriber). Thus, for example, a plan or issuer may not deny or restrict coverage for a child who has not attained age 26 based on the presence or absence of the child's financial dependency (upon the participant or primary subscriber, or any other person), residency with the participant (in the individual market, the primary subscriber) or with any other person, student status, employment, or any combination of those factors. In addition, a plan or issuer may not deny or restrict coverage of a child based on eligibility for other coverage, except that paragraph (g) of this section provides a special rule for plan years beginning before January 1, 2014 for grandfathered health plans that are group health plans.

Coverage is being provided earlier than required by most carriers. Below is a chart that identifies how the major carriers in the NJ/PA market are handling this mandate.

COVERAGE FOR DEPENDENTS TO AGE 26

Carrier	Small Group 2-50	Large Group 50+	ASO
AETNA	Coverage for currently covered dependent children Effective June 1, 2010	OPTIONAL to add coverage for currently insured dependent children Effective 6/1/2010	OPTIONAL to add coverage for currently insured dependent children Effective 6/1/2010
AmeriHealth	Coverage for currently covered dependent children Effective June 1, 2010	OPTIONAL to add coverage for currently insured dependent children Effective 6/1/2010	OPTIONAL to add coverage for currently insured dependent children Effective 6/1/2010
CIGNA	Coverage for currently covered dependent children Effective June 1, 2010	Coverage for currently covered dependent children Effective June 1, 2010	OPTIONAL to add coverage for currently insured dependent children Effective 6/1/2010
Horizon	Coverage for all dependent children (both currently insured and uninsured) Effective May 1, 2010 (*)	Coverage for all dependent children (both currently insured and uninsured) Effective May 1, 2010(*)	OPTIONAL to add coverage for currently insured dependent children Effective 5/1/2010
Oxford	Coverage for currently covered dependent children Effective June 1, 2010	Coverage for currently covered dependent children Effective June 1, 2010	OPTIONAL to add coverage for currently insured dependent children Effective 6/1/2010
United HealthCare	Coverage for currently covered dependent children Effective June 1, 2010	Coverage for currently covered dependent children Effective June 1, 2010	OPTIONAL to add coverage for currently insured dependent children Effective 5/1/2010

*) Horizon is not going to make a distinction between grandfathered and non-grandfathered plans. This means that any child – even if they are eligible for coverage under their own employee benefits plan with their employer may be covered as a dependent. Horizon’s early extension does not apply to children that are currently covered by an individual plan, employer based coverage, NJ DU 31 or COBRA.

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