



FREQUENTLY ASKED QUESTIONS Age 26 Dependent Coverage Provision of Health Care Reform

1. *Must employer-sponsored group health plans provide coverage to adult children of covered employees?*

Under the new federal health reform law, if an employer-sponsored group health plan (insured or self-insured) offers coverage for any dependent children, it must make that coverage available to a child of a covered employee until the child turns 26 years old.

2. *When does this requirement take effect?*

CareFirst is voluntarily implementing this change effective June 1, 2010 by continuing coverage of dependents up to age 26 for members with insured Individual or Insured Group coverage. Self-insured (e.g., Administrative Services Only, ASO) accounts will be offered the option of voluntarily accelerating the extended dependent coverage mandate, beginning June 1. Otherwise, the new federal health reform law requires such self-insured accounts to offer coverage to dependents for a new plan year (upon policy renewal) beginning on or after September 23, 2010.

3. *What dependents qualify for coverage under their parents' policy?*

A dependent qualifies if he/she is under age 26 and is not eligible for coverage under an employer-sponsored health plan (this applies only to group plans). A qualified dependent can be married, but his/her spouse and children will not qualify for dependent coverage. Groups and/or their agents (brokers) are responsible for performing appropriate validity checks to determine qualified dependent eligibility. This requirement applies regardless of whether the adult child can be claimed as a tax dependent of the covered employee.

4. *When can I re-enroll my dependent child who has "aged off" my policy?*

Qualified dependents may re-enroll for coverage under their parents' insured policy, effective June 1, 2010. For self-insured accounts that do not opt for the early implementation of the dependent coverage mandate, your dependent child can re-enroll when a new plan year begins on or after September 23, 2010. For such accounts, dependents who reach the current threshold for "aging off" their parents' plan will continue to have their coverage terminated as per the rules governing their current plan. Eligible dependents will be allowed to re-enroll through the normal open enrollment period at the group's renewal period or as a special qualifying event at the discretion of the account.

5. *If an eligible dependent re-enrolls on to his/her parent's policy, can coverage be made retroactive to an earlier date?*

No. Coverage for dependents who enroll or re-enroll onto their parents plan will begin on the first of the month following their enrollment.

6. *When does coverage usually end for dependents?*

Many insurers maintain young adults on their parents' plan until they turn 19 or graduate from college or vocational school. Many states require extension of coverage beyond those timeframes in certain instances. For example, dependents in Maryland can remain covered under their parent's plan up to age 25. Changing the dependent age to 26 will not change your policy's rule on the specific date when the dependent terminates. For example, if your policy currently terms a dependent at the end of their birthday month, then coverage will continue until the end of the month in which they turn 26. Other policies may have different rules such as end of calendar year when terminating age is attained or the actual birthday. These rules will continue to be in effect with the age change to 26.

7. Can employers decline to offer this extension?

While employers that self-insure (pay their own medical claims) can wait until their next policy renewal that begins on or after September 23, 2010 to implement coverage of dependent coverage to age 26, all group plans ultimately must comply with the mandate under the new federal health reform law.

8. What happens if my adult child can purchase coverage through his/her employer?

Grandfathered plans (those in existence on March 23, 2010) are not required to provide coverage to adult children who have other group health coverage available through an employer until the first plan year beginning on or after January 1, 2014. If an employer's plan was not in existence on March 23, 2010 and provides dependent coverage, then it must cover adult children to age 26 starting with the first plan year beginning on or after September 23, 2010, even if an adult child has other health coverage available through his/her employer.

9. What are a self-insured group's options for implementing the dependent coverage mandate?

There are two options: 1) Offer coverage beginning any time after June 1, 2010 or 2) Offer coverage upon renewal after October 1, 2010 in accordance with the timeline provided in the law.

10. Can my under age 26 dependent child who has enrolled for COBRA coverage revert back to my plan?

Yes, if you have Individual or Insured Group coverage, your child can be re-enrolled on your policy effective June 1, 2010. If you have coverage through a self-insured account, your child can re-enroll beginning as early as June 1 if the account has opted for the accelerated implementation of the dependent coverage mandate. Otherwise, the child can re-enroll effective with the account's new plan year that begins on or after September 23, 2010.

11. What are employer accounts required to do to ensure that under age 26 dependents are qualified for coverage on a parent's plan?

Accounts and/or their agent (e.g., broker) must take reasonable steps to ensure that only qualified dependents are covered on a parent's policy. These steps may include a review of the employee's and/or dependent's income tax documents, affidavits by the employee and/or dependent, or an affidavit from the dependent's employer that health coverage has not been offered.

12. Must dependents be offered the same plan as the employee or can they enroll in a different plan?

Qualified dependents must be enrolled in the same plan as the parents.

13. Do I need to do anything to stop my graduating child from terminating from my policy?

No, your child will continue to be covered as long as they continue to meet the eligibility requirements.

14. What if my child was never a college student and lost coverage at 19 – 3 years ago, can I add him now?

Yes, as long as he/she meets all the eligibility requirements.

15. What if my child has never been covered under CareFirst, can I add him now?

Yes.

16. As an employer, am I required to notify my employees of this provision?

Yes.

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