

Frequently Asked Questions

State and Federal Coverage Expansion for Older Age Children

These provisions do NOT apply to Dental & Vision Coverage

1. When does the coverage expansion take effect?

The **state** law went into effect on July 1, 2010. For existing policies or plans, parents will be able to request coverage for older age children on the policy's first renewal date on or after July 1, 2010. For Youngstown State University, the effective date was July 1, 2010. **Next open enrollment for state law will be October, 2011.**

The **federal** law went into effect on September 23, 2010. For existing policies or plans, parents will be able to request coverage for older age children on the policy's first renewal date or plan year on or after September 23, 2010. **For Youngstown State University, the effective date is July 1, 2011.**

2. What are the eligibility requirements for my older age child to be enrolled in coverage?

Eligibility requirements under the **federal** law stipulate:

- The child may be either married or unmarried and must;
- Be the child of the employee as that is defined under the plan or policy;
- Have not yet reached their 26th birthday;
- Not be eligible to purchase employer-based health insurance.

Eligibility requirements under the **state** law stipulate:

- The child must be unmarried and:
- Be the natural child, stepchild, or adopted child of the employee;
- Have not yet reached their 28th birthday;
- Be a resident of this state or a full-time student at an accredited public or private institution of higher education;
- Not employed by an employer that offers any health benefit plan under which the child is eligible for coverage, and;
- Not eligible for coverage under Medicaid or Medicare.

3. What type of coverage/plan does the age expansion law apply to?

The **state** and **federal** law applies to health plans and insurance companies offering group or individual coverage that include coverage for dependents; The **state** law excludes self-insured ERISA plans; however, the **federal** law does apply to self-insured ERISA plans.

4. How do I provide evidence that my older age child meets the criteria for eligibility stated above?

At the time you seek to enroll your older age child, you will be required to complete the appropriate enrollment application AND the Adult Dependent Child Certification Form along with a copy of the birth certificate.

5. When may an older age child enroll?

The **federal** law includes a transition rule (special enrollment period) which requires the health plan to:

- Provide written notice of the opportunity to enroll, no later than the first day of the first plan or policy year beginning on or after September 23, 2010; and
- Provide a period of no less than 30 days to enroll the older age child.

Therefore, you may enroll your eligible older age child at the following times **ONLY**:

- For dependents under age 26, during a special "initial" enrollment period which begins April 13, 2011 and continues through May 13, 2011;
- Annually during the University's open enrollment period (October);
- When a child experiences a change in circumstances. Some examples of "change in circumstances" outside of open enrollment would be:

- Older age child loses coverage through their employer;
- Older age child divorces and loses health coverage;
- Older age child who is not a full time student relocates to become a resident of Ohio (this applies to **state law only.**)

NOTE: The older age child must still meet the definition of dependent as described above for either **federal** or **state** law in order to enroll in the plan.

6. Can plans who offer dependent coverage continue to impose limits on who qualifies based on financial dependency, marital status, enrollment in school, residency or other factors?

No. Under **federal** law, plans that offer dependent coverage must provide coverage until a child reaches the age of 26.

7. Will a child be allowed to terminate individual (non-group) coverage in order to receive coverage under a parent's coverage?

Yes. As long as the child otherwise meets the eligibility criteria outlined above.

8. Must the older age child have been continuously covered under the parents' plan or policy in order to be eligible for coverage under the new state and federal laws?

No. Neither law requires the child to have been continuously covered under the parents' plan. The child must meet the state and or federal eligibility criteria to enroll in the coverage.

9. Will a child who previously reached the maximum age for coverage under the plan or policy and elected COBRA continuation coverage be eligible to enroll for continued coverage under the parent's plan or policy?

Yes. As long as the child meets the eligibility criteria stated above.

10. Does the group health plan cover the children or spouses of the older age children?

No. Neither **state** nor **federal** law requires that coverage under the parent's plan or policy be offered to the children or spouse of an eligible older age child.

11. Will Dental and Vision coverage available be offered to older age children?

No. Neither **state** nor **federal** laws require the employer to extend coverage for dental or vision to older age children.

12. Is there a difference between who pays for state and federal older age child coverage?

Yes. For coverage up to age 26 under the **federal** law, the cost to the parent may not vary based upon the age of the child. Under **state** law, the employer is not required to pay for any part of the cost to cover the older age dependent (ages 26 and 27). The employee is required to pay this cost through payroll deduction.

13. What rate will be charged for an older age child for coverage between age 26 and age 28?

The rate charged for coverage between ages 26 and age 28 varies by each plan. You need to contact the benefits office to receive current rates. Payments for this coverage will automatically be made from pre-tax dollars. The cost will be paid by the employee via payroll deduction. This charge is in addition to any other monthly employee contributions currently required under the plan.

NOTE: The special enrollment period for dependents age 26 to 28 was held in 2010. Therefore, you cannot enroll a dependent (age 26 – 28) now under the state law, you must wait until the annual open enrollment held in October, 2011.

14. When does coverage terminate for an older age child under federal law?

Under federal law, coverage terminates at the end of the month of the dependent's 26th birthday.

15. When the child reaches the limiting age of 26 under the plan or policy, what coverage options will be available?

When the child reaches the limiting age of 26 under the plan or policy, if otherwise eligible under the state law, the employee will be able to cover the child under the **state** coverage extension until age 28. Alternatively, the employee or child can elect COBRA coverage.

16. When does coverage terminate for an older age child under state law?

Under state law, coverage terminates at the end of the month of the dependent's 28th birthday.

17. When the older age child reaches age 28 and loses coverage under the plan, may the child elect COBRA and receive additional coverage?

Yes, if otherwise eligible, the child will be able to elect COBRA coverage.

18. Are there any tax implications related to the extension of dependent coverage?

In the calendar year after the calendar year in which a child reaches age 26, there can be a tax implication associated with covering the child under the health care plan.

Beginning in the calendar year after the child reaches age 26, unless a child is an employee's "dependent" for federal income tax purposes, the employee can be subject to income tax on the value of the coverage that is being provided to the child. However, if the child is not a dependent, the taxable value of the coverage is reduced by any after-tax amounts the employee must pay for the coverage.

Individuals should seek consultation with an independent tax advisor as to the older age child's status as a dependent under the Internal Revenue Code and its accompanying regulations regarding implications when filing your personal tax returns. Or you can visit <http://www.tax.ohio.gov>

Information contained in this FAQ was developed from the following sources:

Ohio Department of Insurance www.insurance.ohio.gov/Consumer/Pages/HealthCareReform.aspx

U.S. Department of Health & Human Services <http://www.healthcare.gov/law/provisions/youngadult/index.html>

http://www.hhs.gov/ociio/regulations/adult_child_faq.html