

Extension of Dependent Benefits Frequently Asked Questions

Q1. What is the reason for this extension of dependent benefits?

Each year in June, many dependents — because of their age, student status or other factors — become ineligible for their parents' insurance policies. The recently passed health care reform legislation extended dependent coverage to age 26 for plan years beginning September 23, 2010. Our extension of benefits fills the coverage gap between June and September 23, 2010.

Q2. Who will benefit from this extension of dependent benefits?

Fully insured members who would have lost dependent benefits based on their birthday will now be eligible to continue benefits as a result of this action. This includes fully insured group and individual plans. We hope to also include our self-insured clients and their members.

Q3. When will this go into effect?

Over the next few weeks all fully insured individuals and groups will be notified of this expansion of benefits. Continued coverage of dependents enrolled in our affiliated health plans will go into effect automatically. Members who do not wish to maintain coverage for their dependents will be required to disenroll the member.

Q4. How will eligible individuals be identified? Do they need to contact customer service or will you continue their coverage automatically?

Eligible dependents enrolled will be identified in our system by birthday. Continued coverage will be automatic, requiring members who do not wish to maintain coverage for their dependents to disenroll the member.

Q5. How and when will members be notified?

Employers will be provided with information for their employees that they can distribute. Additionally, our Customer Service teams are equipped to answer questions our members may have.

Q6. Will this apply to new applicants for coverage or only those currently enrolled?

This extension of benefits applies to existing members only.

Q7. How many young people could benefit from the extension of benefits?

At this time we believe hundreds of thousands of our members in our affiliated health plans will benefit from this action.

Q8. I have a Medicare/Medicaid plan. Does this apply to me?

Most Medicare/Medicaid plans are for a single individual only and do not include dependents, so this extension of benefits does not apply to those programs.

Q9. What happens if members do not take the proactive step of disenrolling their family members? Will they face extra charges?

Members are required to notify their health plan if there is a change in status of an individual in the family. If dependents should no longer be considered for benefits because they now have their own coverage, or they wish to discontinue coverage, members need to contact their health plan to update their information.

Q10. If a member has already received a letter stating a dependent will no longer be eligible for coverage after June 1, does the member need to do anything?

The dependent will no longer be removed from the insurance plan unless the member specifically requests that the dependent no longer be on the plan. The letters were sent out before we decided to extend dependent coverage earlier than the implementation date required by the health care reform legislation.

Q11. Will this be retroactive?

No. This will apply only to members who would be affected from June 1, 2010.

Q12. Are there any regulatory hurdles that you will need to overcome?

We are actively consulting with state and federal regulators.

Q13. Can ASO or fully insured groups opt-out of the extension of benefits?

We encourage our customers to join us in this effort to prevent coverage gaps for young individuals; however, we understand that in certain situations this may not be possible. Therefore, ASO and fully-insured accounts with over 100 lives are able to opt out of the extension. We will work with these groups on an individual basis to ensure their needs and the needs of their employees continue to be met.

Q14. Does this apply to specialty business (dental, vision, life, EAP, pharmacy)?

This also applies to those with certain specialty coverage such as vision, dental, life and pharmacy. The extension does not apply to Employee Assistance Programs.

Q15. Who will determine the eligibility and re-activate coverage that was initially denied for over-age dependents? Is it up to the Group?

The legislation defines which dependents are eligible for coverage as "defined by health care reform.". Effective for plan years beginning on or after September 23, 2010, any new policy or any policy upon renewal will have the extended age benefit to 26.

Some states already have provisions that allow for dependents up to the age of 26 to be included on their parents' policy. These states include, but are not limited to: Connecticut, Massachusetts, and New Hampshire – age 26; Wisconsin – age 27; Ohio – age 28; New York – age 29. Additionally, some of these state provisions may be more restrictive than in the federal legislation. Please check with your health plan for specific information in your state.

Q16. When will parents be able to add a “newly eligible” dependent back onto their family policy? Will they have to re-enroll or will dependents simply be reinstated through membership records?

Beginning with plan years effective after September 23, 2010, qualified dependents can be added back on to a parent’s policy.

Currently, the legislation defines which dependents are eligible for coverage as “defined by health care reform.” We are waiting additional guidance from the U.S. Department of Health and Human Services for the full definition. Effective for plan years beginning on or after September 23, 2010, any new policy or any policy upon renewal will have the extended age benefit to 26.

Q17. Will benefits also be extended for the dependent of a dependent? What happens if the dependent is over age 26 but their dependent isn't? (e.g. parent is covering their child and grandchild)

Currently, the legislation references dependent coverage of children; however we are awaiting regulations from the U.S. Department of Health and Human Services that will more specifically define the dependents to which this extended coverage will apply. In general we understand this to mean an unmarried adult child under the age of 26. The current language does not require coverage of a child of a dependent. However, specific regulations will be issued by the Secretary.