

Highlights of Patient Protection and Affordable Care Act of 2010 (PPACA)

Subject: Young Adult Coverage to Age 26

Summary

Until now, health plans could remove enrolled children usually at age 19, sometimes older for full-time students. All groups, regardless of products and funding arrangement (subject to the exclusions noted below), should note that the Health Care Reforms passed on March 23, 2010 require coverage for adult children up to age 26 for plan years beginning on or after September 23, 2010. By allowing children to stay on their parents' plan, the Patient Protection and Affordable Care Act (PPACA) makes it easier and more affordable for young adults to get health insurance coverage.

Your adult children can join or remain on your plan **whether or not** they are:

- Married;
- Living with you;
- In school;
- Financially dependent on you;
- Eligible to enroll in their employer's plan, with one temporary exception: Until 2014, "grandfathered" group plans do not have to offer dependent coverage up to age 26 if a young adult is eligible for employer sponsored group coverage outside their parents' plan.

For example, an employer group that renews its health plan(s) on January 1 will be required to offer coverage for an adult child up to age 26 beginning 1/1/2011 as part of PPACA. At that time, any qualified adult child will be able to be enrolled on their parent's health plan.

Some Important Details

- Plans were required to provide a 30-day period—no later than the first day of your plan's next "plan year" or "policy year" that began on or after September 23, 2010—to allow members to enroll their adult child.
- If an adult child was enrolled during this 30-day enrollment period, plans must cover the adult child from the first day of that plan year or policy year.

- Any eligible adult child will be extended coverage until the last day of the month following his/her 26th birthday.
- Per IRS guidance issued as recently as April 27, 2010, the extension of this coverage will NOT be taxable to the employee. Further information can be found on the IRS web site: <http://www.irs.gov/newsroom/article/0,,id=222193,00.html>

Exclusions

The following includes a list of excluded products from this policy:

- Medicaid
- Family Health Plus
- Child Health Plus
- Medicare Supplemental products
- Medicare Advantage products
- Stand alone Dental and Vision products

For more information on this provision, go to <http://www.healthcare.gov/law/provisions/youngadult/index.html>

The information provided here is not intended to advise you on how to comply with any provisions of the referenced legislation or regulations, nor is it otherwise intended to impart any legal advice.

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