

NHF INSURANCE ADVISORY FOR YOUNG ADULTS

THE NEW HEALTHCARE REFORM LAW AND EXTENDED COVERAGE FOR DEPENDENTS Early Enrollment May Be An Option

The Affordable Care Act requires insurance plans that offer dependent coverage to provide dependent coverage until an adult child turns 26. The new law will help to provide coverage for many young adults who no longer qualify to be covered as dependents under a parent's policy due to age or student status (often as a result of graduation).

- The law applies to all individual health insurance plans and to new employer health insurance plans. The law becomes effective for individual plans and new employer plans with the first plan year beginning after September 23, 2010.
- The law also applies to existing employer health plans - except when a young adult is eligible for health insurance through his/her own employment. The effective date for existing employer plans is the first renewal date of the employer's policy on or after September 23, 2010.
- Single and married young adults qualify for coverage.
- Dependents of young adults do not qualify.
- When the law takes effect for a plan (on or after September 23, 2010), insurers and employers must provide (at least) a 30 day notice of the open enrollment period.
- Of note, Kathleen Sebelius, the Secretary of the Department of Health and Human Services, requested that insurers begin covering young adults voluntarily before the September 23, 2010 implementation date. This request was made to avoid insurance gaps for recent graduates and other young adults *and* to save insurance companies the administrative costs of de-enrollment and re-enrollment.

A significant number of insurers have agreed to the Secretary's request. It is important for all young adults with bleeding disorders, who are without insurance and could qualify for dependent coverage under a parent's plan, to have their parents investigate eligibility now through his/her insurer and to pursue enrollment of the young adult.

Please refer to the following websites for more on the new law and dependent coverage, including a listing of insurers who have agreed to early enrollment of young adults as dependents.

- <http://www.dol.gov/ebsa/faqs/faq-dependentcoverage.html>
- <http://www.dol.gov/ebsa/newsroom/fsdependentcoverage.html>