

NEW DEPENDENT DEFINITION UNDER PUBLIC ACT 08-147

Beginning January 1, 2009, a new Connecticut Law (Public Act No. 08-147) allows parents to cover certain unmarried dependents up to age 26, under a parent's individual or group health insurance plan.

The Insurance Department has prepared the following questions and answers to assist consumers in understanding the new law and how it might be applicable to them and their dependent children. For additional information, consumers should contact the Consumer Affairs Division of the Insurance Department at 800-203-3447 or 860-297-3900 or by email at ctinsdept.consumeraffairs@ct.gov.

1. What is the effective date of the law?

The law takes effect for group health plans issued in Connecticut on January 1, 2009. This means that all group health insurance policies in effect on January 1, 2009 must comply on January 1, 2009. All new group health insurance policies issued after January 1, 2009 must be in compliance on the effective date of the new group health insurance policy.

The changes for individual policies issued in Connecticut take effect for new policies issued on or after January 1, 2009 and for existing policies on the first date of policy renewal after January 1, 2009.

The law does not apply to policies (group or individual) issued outside of Connecticut.

2. If my child ceased to be eligible under my insurance plan under the old law, will they be permitted to re-enroll under my insurance plan as an eligible dependent until he/she no longer meets the new eligibility requirements of this year's changes?

Yes

3. When does the newly extended coverage end?

Coverage under the new law ends when the dependent:

- marries;
- ceases to be a resident of the state (except for dependents under 19 years of age or full-time students);
- becomes covered under a group health plan through the dependent's own employment; or,
- attains the age of twenty-six.

4. Do dependents lose their eligibility as soon as they reach age 26?

For group policies, the revised law provides that coverage must continue until the end of the month following the month the dependent marries, attains age 26, ceases to be a resident (except for dependents under 19 years of age or full-time students), or becomes covered under a group health plan through the dependent's own employment. This could mean that if the dependent's change event occurs on Jan 1, the coverage actually goes through February 28 (except of course leap year when it goes to Feb 29). It doesn't cut off the day of the change event.

For individual policies, the new law provides that coverage shall terminate no earlier than the policy anniversary date on or after whichever of the following occurs first:

- marries;
- ceases to be a resident of the state (except for dependents under 19 years of age or full-time students);
- becomes covered under a group health plan through the dependent's own employment; or,
- attains the age of twenty-six.

This means that if the policy anniversary date is February 1, 2009, and the dependent attains age 26 on February 2, 2009, the dependent can remain on the policy as a dependent through January 31, 2010.

5. Does Connecticut law require that all health insurance policies cover dependents?

No. There is no law that requires health insurance policies to cover dependents.

6. What if my employer self-funds/self-insures my group plan, will this change apply?

No, this is a state insurance law and it will not apply to self-funded/self-insured plans.

7. What if my dependent has his or her own job and doesn't live home?

The law will still apply. If your child is under age 26 and lives in the State of Connecticut, and is unmarried, your child can enroll as a dependent under your employee's plan if your dependent is not covered as an employee under other group insurance through the dependent's employment.

8. Can my dependent be covered under both parents' group policies?

Yes, the dependent can be covered under multiple group policies as a dependent. However, Coordination of Benefits ("COB") rules, which determine which plan pays first and which plan pays second, will apply. A dependent cannot be covered under any group policies as a dependent if the dependent has group coverage on his/her own right through the dependent's own employment.

There may be special group plan rules when both parents are covered under the same employer group plan, such as a rule that only one parent may enroll a dependent. This new law does not override such a group plan rule.

9. Can my child be covered under a group plan other than through his/her employment (such as association, school plans, group trust) and still be

eligible as a dependent under the parents' plan(s)?

Yes. The law only excludes the dependent from eligibility as a dependent if they are covered by a group health plan through the dependent's own employment. If the dependent is covered under a group plan that is not obtained through his/her employment, then the dependent retains eligibility as a dependent of the parent.

10. What if I don't claim my child as a dependent on my taxes? Does the child have to rely on the parent for support in order to be a dependent?

The law is not based on an Internal Revenue Service definition of dependent. There is no requirement under the law that the dependent be claimed as a dependent for tax purposes.

11. What if my child goes to school out of state; does that mean my child will not be a dependent?

No, the dependent child in this situation is eligible. The residency requirement does not apply to dependent children under nineteen years of age or full-time students attending an accredited institution of higher education.

12. What if I have a dependent who works for another employer and is under age 26 and is covered under another group health plan; can my dependent drop the coverage with his or her employer and then enroll as a dependent under my plan at open enrollment?

If the dependent is under age 26, single, residing in Connecticut (or a student out of state), and not enrolled under another group health plan obtained through the dependent's own employment, the dependent can be enrolled as a dependent under your group plan.

13. If my dependent ceased to be eligible under my plan under the old version of the law, will he/she be permitted to re-enroll if he/she is under age 26? How much time would he/she be given to re-enroll?

If a dependent has aged off (ceased to be eligible), he/she could come back on to the plan if the dependent is under age 26 and meets the other requirements. Insurers should be providing communication notices to current insureds to notify them of the new law and the process for enrolling dependents who will meet the new eligibility requirements for coverage on January 1, 2009. Most carriers will be using an open enrollment approach for those immediately eligible; that means all immediately eligible dependents will have 31 days to enroll without providing any evidence of good health. If you do not enroll your child within the 31 day enrollment period, you may have to meet the policy's late entrant requirements as defined in your policy or certificate. You should contact your carrier no later than December 31, 2009 if your child meets the eligibility requirements to be a covered dependent but is not covered under the plan as a dependent.

14. What happens if my dependent is not eligible on January 1, 2009 but becomes eligible thereafter? For instance, my unmarried child over age 19 but under age 26 moves back to Connecticut after January 1st and is not covered through the child's employment?

The Department would consider this to be a life status changes, such as marriage of an employee or birth of a newborn, and follow the established rules for those changes. The employee, in this example, will have 31 days to enroll the dependent. Once enrolled the effective date of the dependent's coverage will be retroactive to the date of the change (date the eligible dependent moved back to Connecticut).

15. If my child attains age 26 and is terminated from my plan, is there a right to continue under COBRA?

Yes, it would be a qualifying event entitling the child to COBRA coverage. Carriers are permitted to charge 102% of the premium for COBRA continuation coverage.

16. Does this change in dependent definition apply only to medical? Would dental, vision, and prescription drug coverage also qualify?

The change applies to all Connecticut individual and group medical policies. If the dental, vision or prescription drug coverage is combined with the group health benefits in a policy or a rider to a policy, the new rules also apply. However, if the dental, vision or prescription drug coverage is "free-standing" in a separate policy, these new rules are optional for the health insurer for those benefits. If you are not sure if you are covered under a free-standing policy, you should check with your employer's benefit's office or your insurer.

17. Are employers required to contribute toward the cost of this extended dependent age, if they contribute toward the cost of dependent children?

There is no requirement for employers to contribute to cost for dependent children at all; however, the employers must apply the rules similarly to all individuals.

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