

New York State Insurance Department

Expansion of Health Insurance Coverage 2009 Age 29 Law

Troy Oechsner - Webinar
April 21, 2010



Age 29 Expansion

- Usually dependent coverage terminates at a specified age, such as age 20 for those not in college or 23 for those still in school.
- Young adults often lack access to employer-sponsored coverage because they are still in school or are in entry-level jobs. They represent a large percentage of the uninsured in NYS and the country.
- On July 29, 2009, Governor Paterson signed into law Chapter 240 of the Laws of 2009, which requires insurers to provide two different options for coverage of young adults through age 29.

Age 29

- Amends Insurance Law §§ 3216, 3221, 4235, 4304, and 4305.
- "Young Adult Option" allows an eligible young adult to continue or obtain coverage through a parent's group policy through the age of 29.
- "Make Available Option" requires insurers to make available and, if requested by the policy or contract holder, extend coverage to qualifying young adults through age 29 as dependents under family coverage.

Applicability

- Insurers need not offer for dental-only, vision-only, prescription drug-only, accident-only, or specified disease coverage.

Young Adult Option

- The Young Adult Option allows adults who exceed the age for dependent coverage under a parent's group health plan to independently purchase coverage through age 29.
- This option is in addition to any rights under federal COBRA and mini-COBRA.
- The parent is not required to have family coverage in order for the young adult to access this option.
- The young adult pays a separate premium. The employer or group policy holder is not responsible for payment of premium.

Eligibility

- The coverage must:
 - Be a group health insurance policy that includes coverage for dependents;
 - Be issued for delivery in New York State; and
 - Be fully insured (this benefit does not apply to self-funded plans).
- The parent must be covered under the group policy.
- The young adult must:
 - Be unmarried;
 - Be 29 years of age or under;
 - Not be insured by or eligible for health insurance through his or her own employer;
 - Live, work or reside in NYS or the insurer's service area; and
 - Not be covered under Medicare.

More Eligibility Information

- The young adult does not have to live with or be financially dependent on the parent.
- Children of the young adult (i.e., grandchildren of the insured parent) are not eligible for coverage.

Live, Work, or Reside...

- The young adult must live, work or reside in NYS or the insurer's service area
 - ☑ Ex.: A young adult lives in Buffalo. The service area is limited to Albany County. This is OK.
 - ☑ Ex.: A young adult lives in Hoboken, NJ. The service area includes NJ. This is OK.

Enrollment Periods

- There are four periods for a young adult to enroll:
 - During an initial 12-month open enrollment period.
 - This period begins when the underlying group contract is issued, renewed, modified, altered or amended.
 - Coverage is prospective not more than 30 days from receipt of election and premium.
 - Within 60 days of aging off a parent's policy as a dependent.
 - Coverage is retroactive to the date the coverage terminated.
 - Within 60 days of newly meeting the eligibility requirements for the young adult option.
 - Coverage should be prospective not more than 30 days from receipt of election and premium.
 - Ex.: If a young adult loses employer sponsored coverage which previously made the young adult ineligible, that individual has 60 days to elect coverage.
 - A young adult can come back on the parent's coverage multiple times due to newly meeting the eligibility requirements.
 - During an annual 30-day open enrollment period.
 - Coverage is prospective not more than 30 days from receipt of election and premium.

Termination of Coverage through the Young Adult Option

- Coverage through the Young Adult Option ends when the first of the following occurs:
 - The young adult terminates coverage pursuant to the policy;
 - The parent is no longer covered through the group policy;
 - The young adult no longer meets the eligibility requirements;
 - The premium is not paid within the 30 day grace period; or
 - The group policy is terminated and not replaced.
- Termination of coverage under the Young Adult Option does not trigger an independent right to COBRA or state continuation.

Make-Available Option

- Under this option, insurers must offer groups and individuals purchasing health insurance an option to cover qualifying young adults through age 29 as dependents on a family policy.
- This is an optional benefit the health insurance purchaser (i.e., policyholder) can choose to purchase or reject.
 - Individual members in a group policy cannot elect this option.

Eligibility

- The coverage must:
 - Be a group or individual health insurance policy that includes coverage for dependents;
 - Be issued for delivery in New York State; and
 - Be fully insured (this benefit does not apply to self-funded plans).
- The young adult must:
 - Be unmarried;
 - Be 29 years of age or under;
 - Not be insured by or eligible for health insurance through his or her own employer; and
 - Live, work or reside in NYS or the insurer's service area.

More Information

- If the health insurance purchaser elects the benefit, it must be included for all employees and members with family coverage under the group contract.
- If an employer contributes to the cost of dependent coverage and elects the Make Available Option, then the employer must also contribute to the cost of coverage of the young adults on the same basis as the younger dependents.
- Termination of coverage under the Make Available Option does trigger an independent COBRA or mini-COBRA right, if the young adult is otherwise eligible.
