

## Health Insurance Coverage Option for Adult Dependent Children

**This BeneFlash applies to employers with insured plans with age-based dependent coverage.**

Governor Rendell has signed legislation that extends health insurance coverage for dependent children of insured parents. The law requires insurers, at the employer's option, to offer health insurance coverage to a dependent of an insured employee through age 29 under certain conditions. Employers with insured plans may choose to offer the extended benefits and can be charged an additional premium.

Previously, if an employer offered dependent coverage, insurers were only required to cover children on their parents' policies until age 19. According to the Pennsylvania Insurance Department, almost 40% of those who are uninsured in Pennsylvania are between the ages of 19 and 29.

### When is the Law Effective?

Act 4 applies to new policies and at the group's next renewal after December 7, 2009. If a health insurance policy is issued or renewed in January 2010, the provision will begin in January 2010. Policies that are issued or renewed less than 180 days after signing will wait until the next year. For example, if a policy is renewed in July 2009, the provision will be effective in July 2010.

### Who is an Eligible Adult Child?

To be eligible, dependent children must:

- Be over age 18 and under age 30;
- Be unmarried;
- Have no dependents;
- Be residents of Pennsylvania or be enrolled as a full-time student at an institution of higher education; and
- Not be provided coverage under any other group or individual health insurance policy or be enrolled in or eligible for government health care benefits.

### What Benefits are Included?

The option applies to group health insurance coverage only, including HMOs. It does not apply to dental, vision, long term care, limited benefit plans, or individual health insurance policies.

### What Do Employers Need to Do?

Employers will need to determine whether they want to include this extension at their next renewal after December 7, 2009.



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