WHAT THE LAW REQUIRES

Health plans that offer dependent coverage must make that coverage available until the adult child reaches the age of 26. This applies even if the young adult no longer lives with his or her parents, is married, is not a dependent on a parent’s tax return, or is no longer a student. It does not apply to coverage for the children of dependent children or the spouse of a dependent child.

Who does it impact?

As of 2014, this requirement applies to all plans that offer dependent coverage. This includes grandfathered and non-grandfathered individual policies, as well as all small and large group plans (both fully insured and self-funded).

Prior to January 1, 2014, grandfathered group plans could exclude an adult child if that child was eligible to enroll in an employer-sponsored health plan other than the parent’s group plan. Starting January 1, 2014, grandfathered group plans had to allow children up to age 26 to stay on their parents’ employer plan even if they are eligible for other employer-sponsored coverage.

When does it take effect?

The requirement to cover dependents to age 26 took effect September 23, 2010. However, both BlueCross and BlueChoice® implemented this provision on May 1, 2010, earlier than the law required.

ADDITIONAL REQUIREMENT FOR DEPENDENTS UP TO AGE 26

On February 10, 2014, the U.S. Treasury and the IRS released final regulations on the employer mandate. These rules specify that for employer-sponsored health plans, a child is a dependent for the entire calendar month during which he or she attains age 26. For example: if a dependent turns 26 on March 1, his or her coverage will end March 31.

For more information


IMPORTANT NOTICE

This communication is provided for informational purposes only and does not constitute legal advice or legal opinions. The information contained herein contains summaries of various portions of legislation addressing health care reform legislation and is subject to change without notice. This information is not a substitute for legal advice from your lawyers.