



2010 HEALTH CARE REFORM UPDATE

Point by Point – Expansion of Dependent Child Eligibility

Prepared by RealCare Insurance Marketing, Inc.

We've all been bombarded with news about the Health Care Reform Act, but most of us are still unclear about how it will affect us and when. RealCare has been gathering information on provisions that will affect you as a small business owner or non-profit entity. In an effort to help you understand what is happening and when, we are providing a series of papers to outline important aspects of the Health Care Reform Act that will affect you. Over the next several weeks we'll bring you up to date on important milestones in reform, and give you resources to obtain more information.

We expect regulations will be clarified over the next few months and will continue to keep you updated as changes are adopted.

Expansion of Eligibility Rules for Dependent Children

The Patient Protection and Affordable Care Act included provisions to expand eligibility for insurance coverage to adult children. The Act specified that for plan years beginning on or after September 23, 2010, all group plans would be amended to allow adult children to be covered under a parent's plan until age 26 regardless of full time student status, tax dependency or marital status of the adult child; as long as the adult child is not eligible for group coverage through another employer plan.

For most small businesses, this means that effective at their first renewal on or after September 23, 2010, the adult children of their employees will become eligible. In addition, we believe that the new law will eliminate the current full time student status requirement for all adult children ages 19 to 26.

Within the last week, several insurers have announced their intention to adopt the new expanded eligibility guidelines early. Among those are Anthem Blue Cross, Aetna, and United HealthCare. Anthem Blue Cross has announced that they will allow adult children to stay on their parents' plans as of June 1, 2010 (as long as they are already covered under the parents' plan). While details remain sketchy, it is clear that insurers are starting to implement the first of the sweeping changes outlined in the new laws.

For information on your specific group, or to find out about your insurance carrier, please contact RealCare Insurance Marketing, Inc. Group Department at (800) 939-8088, Ext. 204

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