

**NEW YORK CONTINUATION OF HEALTH COVERAGE
FOR UNMARRIED CHILDREN THROUGH AGE 29: “YOUNG ADULT OPTION”**

ELIGIBILITY QUESTIONS, AND OTHER “WHO” QUESTIONS

Q: Who is eligible?

In order to participate, the “Age 29” law requires the coverage, the young adult’s parent, and the young adult to meet certain requirements.

The Coverage

The coverage must:

- 1. Be a group or group remittance health insurance policy that includes coverage for dependents;*
- 2. Be issued in New York State and subject to New York State laws; and*
- 3. Be fully insured (this benefit does not apply to self-funded plans).*

Please contact your employer, employee benefits administrator or insurance company to find out what state laws apply to the policy and if your coverage is fully insured.

The Parent

The parent must be covered under the group policy as an employee or member of the group or pursuant to a right under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) or state continuation coverage law.

The Young Adult

The young adult must:

- 1. Be unmarried;*
- 2. Be 29 years of age or under;*
- 3. Not be insured by or eligible for comprehensive (i.e., medical and hospital) health insurance through his or her own employer;*
- 4. Live, work or reside in New York State or the health insurance company’s service area; and*
- 5. Not be covered under Medicare.*

Please note that the young adult does not have to live with a parent, be financially dependent on a parent, or be a student.

Q: Do all families that live in New York qualify for this over-age dependent child continuation coverage?

A: *No. This law only applies to health policies written or ‘situated’ in New York. To qualify for this continuation privilege, the family must be insured under a New York health policy.*

Q: Does the child need to be a New York resident to be eligible for this continuation coverage?

A: *Not necessarily. The law only requires that the child “lives, works or resides in New York State”, or in the case of a provider network based health plan, “the service area of the insurer”.*

For example, a child is eligible if he or she lives in a bordering state but works in New York. Also, a child is eligible if he or she lives or works outside of New York but in a State where other members of the group plan have coverage with an Aetna provider network.

Q: Do the parents need to be New York residents for the dependent child to be eligible under the law?

A: *No. A parent employee insured under a New York policy, regardless of where he or she lives, may enroll an eligible dependent child under the law.*

Q: Will your former student verification process be used, to test and screen continued child eligibility?

A: *No. The law provides over-age dependent child continuation privileges through age 29, regardless of student status.*

Q: Does this law create issues around "economic dependency"? Will there still be policy language that specifies the person has to be economically dependent? Will there be a process to communicate back to employers when they have a non-economic "dependent" involved so they can prepare for Imputed Income costs? Will the process include an assessment of the Fair Market Value or imputed income associated with the coverage provided to a non-economic dependent?

A: *No. A child can qualify even if he or she isn't economically dependent on the parent. For guidance on any tax implications, we advise clients to consult with their tax attorney.*

Q: Is a dependent eligible if they are married, even if they are a full-time student? Is a dependent eligible if they can also enroll under their own Employer sponsored plan?

A: *No. Either marriage or eligibility for coverage as an employee or member under another employee benefit plan (insured or self-insured) would disqualify the dependent under this law.*

As usual, Aetna will look to clients / employers to help monitor dependent life status and report that information through regular enrollment and eligibility reports.

Additionally, active enrollment and coverage under Medicare is a disqualifier under this law.

Q: Are federal COBRA beneficiaries eligible for this New York over-age dependent child continuation privilege?

A: *Yes. Dependents who previously elected COBRA can subsequently enroll in this New York continuation (provided they meet the continuation eligibility criteria). Or the dependent may choose to skip COBRA altogether and simply enroll for this New York continuation (again, assuming they meet the eligibility criteria).*

However, the dependent child will not have a separate right to elect federal COBRA (or similar state continuation) after his or her New York over-age dependent child continuation coverage ends. The election of the New York "Young Adult Option" becomes, in effect, a substitute for COBRA or similar state continuation.

Q: Can the employee's grandchild or the child of the employee's child get coverage under this law?

A: *No. The law only provides coverage for children of the employee. The employee's child is eligible to elect the "Young Adult Option" continuation coverage for him or herself but cannot enroll his or her own child for the coverage.*

Q: Can a child enroll independently, without the involvement or consent of the subscriber / parent?

A: *No. The subscriber's own enrollment, and additional enrollment for family or child(ren) coverage is required. (This is unlike COBRA coverage, for example, where dependents have independent enrollment and subscriber rights.)*

Q: Does this law apply to vision and dental coverage?

A: *Dental and vision coverage are sold as separate policies (even for clients also purchasing medical coverage), with a separate policy application and rates, and because of this practice they are typically not a part of the medical policies subject to this law. Newly eligible Young Adult Option participants who are currently enrolled in medical/vision and dental coverage under the active employee plan (and are interested in continuing vision and dental coverage) must elect them through COBRA. Please contact the University Benefits office for further information.*

ENROLLMENT PERIOD QUESTIONS, AND OTHER "WHEN" QUESTIONS

Q: When may I enroll?

There are four times when you may enroll:

1. *When You Would Otherwise Age Off a Policy*

If you are currently covered under a parent's group policy, you may enroll within 60 days of the date that your coverage would otherwise end due to reaching the maximum age for dependent coverage. Coverage will be retroactive to the date that your coverage would otherwise have terminated.

2. *When You Experience a Change in Circumstances*

You may enroll within 60 days of newly meeting the eligibility requirements. Coverage will be prospective and will start within 30 days of when your parent's employer or group administrator receives notice of your election and premium payment. Examples of changes in circumstance would be a young adult moving back to New York State after living outside the state or losing health insurance coverage sponsored by an employer.

3. *During an Annual 30-Day Open Enrollment Period*

Your parent's insurer will have an annual 30-day open enrollment period. If you meet the eligibility requirements, you may elect coverage during this period. Coverage will be prospective and will start within 30 days of when your parent's employer or group administrator receives notice of your election and premium payment.

4. *During the Initial 12-Month Open Enrollment Period*

There is an initial 12-month open enrollment period, which should run for 12 months following the first renewal of the health insurance policy or contract on or after September 1, 2009. If you meet the eligibility requirements during this initial 12-month open enrollment period, you may enroll during this time. Coverage will be prospective and will start within 30 days of when your parent's employer or group administrator receives notice of your election and premium payment.

Q: When does the dependent's "Young Adult Option" continuation coverage start? Is the coverage retroactive to the last period when the dependent had coverage?

A: *If the "Young Adult Option" continuation coverage is elected within 60 days of the date the child would have "aged off" the parent's policy, coverage is retroactive to that date.*

In all other cases, coverage will not be retroactive, and will begin no more than 30 days from the date that Aetna receives notice of the election and premium payment.

Q: When does the dependent's "Young Adult Option" continuation coverage end?

A: *The law permits plans to terminate coverage when the dependent:*

- *marries;*
- *ceases to live, work or reside in New York state, or in Aetna's provider network service area for the group plan;*
- *becomes eligible for coverage as an employee or member under an insured or self-insured employee health plan;*
- *becomes covered under Medicare; or*
- *reaches the age of thirty.*

Also please note, the parent subscriber must remain covered for the child to remain covered under this law. If the parent subscriber's coverage terminates, the child's "Young Adult Option" continuation coverage under this law will also terminate

For best accuracy, Aetna will look to clients / employers to monitor changes in these life status criteria and report eligible dependents appropriately through regular enrollment and eligibility feeds.

Q: Does the dependent's continuation coverage end immediately on his or her 30th birthday, or marriage date, or own employer-group effective date?

A: *Like for any other New York dependent, this "Young Adult Option" continuation coverage will end according to the termination provisions in the group policy (for example, immediately on the date of the trigger event, or the last day of the month of the trigger event).*

Q: I have a child. Does this make me ineligible?

*Young adults with children may make an "Age 29" election if they meet the eligibility criteria. However, young adults' children cannot be covered under the "Age 29" law. If you need to cover your children, you may want to consider **Child Health Plus**. Child Health Plus is available at a reduced premium to children in families who are up to 400% of the Federal Poverty Level (\$58,280 for a family of two) and at full price for children above that level.*

Q: Can the dependent elect COBRA after "Young Adult Option" continuation coverage ends?

A: *No, COBRA is not available after electing this "Young Adult Option" continuation coverage. COBRA must have been selected at the time of the original qualifying event. This dependent child continuation coverage is, in effect, a substitute for COBRA.*

However, when this "Young Adult Option" continuation coverage ends (for example, on the child's thirtieth birthday) the child will be eligible for any conversion privileges available in the group policy.

PREMIUM, APPLICATION & ENROLLMENT QUESTIONS AND OTHER “HOW” QUESTIONS

Q: Will there be an increase in the rates?

A: *There will not be an increase in the group’s rates as a result of this law. However, a dedicated dependent rate will apply for the “Young Adult Option” continuation coverage. The rates may not exceed 100% of the existing single subscriber rate.*

Q: How does enrollment and billing work for the “Young Adult Option” continuation coverage?

A: *The law states that the employee or dependent child must pay the required premium to the group policyholder on the due date of each group payment, but not more frequently than on a monthly basis in advance. So, the group policyholder/ employer must verify eligibility and submit a request for over-age dependent child coverage.*

Policyholders should submit their first requests for over-age dependent child coverage to their client service contact at Aetna. Aetna’s case implementation staff will then set up an eligibility and billing branch for New York over-age dependent child coverage, in the group account profile.

Thereafter, billing for over-age dependent child coverage will be included in the policyholder’s group bill and identified by a unique New York over-age dependent child coverage branch. If and when additional dependents request and are enrolled for over-age dependent child coverage, the policyholder simply needs to move the continuing dependent child(ren) from the normal dependent list or ‘branch’ to the New York over-age dependent child coverage branch in the regular eligibility report to Aetna.

Q: How is eligibility for over-age dependent child coverage monitored and reported?

A: *If a family requests the “Young Adult Option” continuation, coverage for a dependent child, the policyholder/employer must verify the child’s life status to determine his or her eligibility to continue coverage according to the criteria listed below. The policyholder is also asked to monitor the child’s life status changes and report the child’s ongoing eligibility (simply by including the child in regular eligibility reports) and eventual termination appropriately.*

To become, and remain, eligible for over-age dependent child coverage under this law, the child must:

- *be unmarried;*
- *live, work or reside in New York state;*
- *not be eligible for coverage as an employee or member under an insured or self-insured employee health plan;*
- *not be covered under Medicare; and*
- *be under age thirty.*

As soon as the child fails to meet one of the above criteria, he or she is no longer eligible for the “Young Adult Option” continuation coverage and should be terminated according to the provisions of the policy (for example, on the date or at the end of the month in which the disqualifying life status change occurs).

Q: Do Pre-existing condition limits apply to dependents who enroll under this law?

A: *No. Coverage for the over-age dependent can’t be conditioned upon or discriminate on the basis of lack of evidence of insurability.*

Q: Are covered benefits different for the continued child coverage?

A: No. Coverage for the dependent must be identical to coverage provided to other dependents under the policy. If coverage is modified under the policy for similarly situated dependents, the coverage must also be modified in the same manner for the continuing dependent.

For more information concerning the NY Young Adult Option (“Age 29” law), please visit [NYS Department of Financial Services Young Adult Option FAQ webpage](#).