



Get Covered: What Parents

Need to Know About the New Health Law

On September 23, 2010 the new health law will allow young adults to Get Covered on their parents' health insurance until age 26.

The Office of Management and Budget estimates that as many as 1.2 million previously uninsured young people could gain coverage through this provision. Many more young adults will be able to upgrade their currently inadequate and expensive non employer-based coverage to the improved benefits offered by their parents' coverage.

For the first time in our history, an entire generation will be able to finish school, look for jobs and enjoy life without worrying about getting denied access to healthcare. This is important because:

- * **Young adults are the most uninsured age group.** Nearly one third of young adults make up our nation's uninsured population. This rate is higher than any other age group, and is three times higher than the uninsured rate among children.¹
- * **Young adults have the lowest rate of access to employer-based insurance.** As young adults transition into the job market, they often have entry-level jobs, part-time jobs, or jobs in small businesses that typically do not provide employer-sponsored health insurance. The uninsured rate among employed young adults is one-third higher than older employed adults.²
- * **Young adults' health and finances are at risk.** Contrary to the myth that young people don't need health insurance, one in six young adults has a chronic illness like cancer, diabetes or asthma.³ Young Americans are sicker than those who do not have health insurance and are more likely than anyone to go to the emergency room because of an accident or injury.⁴ Up to six young Americans died every day from preventable deaths in the year 2001 because they had no insurance.⁵ And nearly half of uninsured young adults report problems paying medical bills.⁶

Now you can ensure that your children over 18 Get Covered and stay covered as they enter adulthood. Here's what you need to know about the new health law:

Coverage Age Extension. Plans and issuers that offer dependent coverage must offer coverage to enrollees' adult children until age 26, even if the young adult is married, no longer lives with his or her parents, is not a dependent on a parent's tax return, or is no longer a student.

Age Extension Provision Begins on September 23, 2010. All insurance companies must offer coverage to enrollees' young adult children by September 23, 2010. However, more than 65 companies have voluntarily agreed to begin or continue coverage for young adults before the implementation deadline.⁷

All Eligible Young Adults Will Have A Special Enrollment Opportunity. For plan or policy years beginning on or after September 23, 2010, plans and issuers must give adult children an opportunity to enroll regardless of whether or not the plan offers an open enrollment period no later than the first day of the first plan or policy year beginning on or after September 23, 2010. Insurers must provide enrollees written notice of this opportunity.

Same Benefits/Same Price. Under the new health law, young adults must be offered all of the benefit packages available to children under 18 on the same plan for the same price. However, the new provision applies only to health insurance plans that previously offered dependent coverage.

Affordable Premiums. It is estimated that adding a young adult to your coverage will increase the average family premiums by as little as 0.7 percent.⁸



New Tax Benefits for Adult Child Coverage. Under the new health law, the value of any employer-provided health coverage for an employee's child is excluded from the employee's income through the end of the taxable year in which the child turns 26. These tax benefits became effective March 30, 2010 and apply to any coverage for an adult child from that date through the end of the taxable year in which the child turns 26. This benefit also applies to self-employed individuals who qualify for the self-employed health insurance deduction on their federal income tax return. In addition to the exclusion from income of any employer contribution towards qualifying adult child coverage, employees can receive the same tax benefit if they contribute toward the cost of coverage through a "cafeteria plan." This benefit is available immediately. For more information contact your benefits office and/or a tax professional.

Making Sure Your Adult Child Gets Covered & Stays Covered

If your adult child is already covered through his or her employer: Young adults who currently receive coverage through their own employer-provided health insurance plans are not eligible for coverage on their parents' health plans at this time. Encourage your adult child to continue their existing coverage or to enroll in their employer-provided plan.

If your adult child is not currently covered on your plan:

- * **Find out if your child is currently covered** under a student health insurance plan and how long that coverage will last. If your plan will not enroll your adult child prior to the implementation deadline, he or she may already have coverage through a school-based plan.
- * **Contact your health insurance provider** or benefits office as soon as possible. You might want to ask:
Does my health insurance plan offer dependent coverage?
What steps do I need to take to enroll my adult child in my health insurance plan?
Will my plan offer coverage to my uninsured adult child prior to the implementation deadline?
If not, when can I enroll my adult child in my plan?

When will coverage for my adult child begin?

How much will it cost me to add my adult child to my plan?

Will my plan provide coverage for my adult child beyond the age of 26?

- * **Watch for Open Enrollment.** Young adults will qualify for an open enrollment period to join their parents' family plan or policy beginning on or after September 23, 2010. Insurers and employers are required to provide notice for this special open enrollment period. Watch for it or ask about it to make sure your child is enrolled as early as possible.
- * **Check Into "Stop-Gap" Options.** Adult children who are currently uninsured may be eligible for COBRA until the time coverage begins on their parents' insurance plans. If your adult child is not eligible for COBRA coverage, consider purchasing temporary individual insurance to ensure your child has coverage until coverage begins on your plan.
- * **Talk With Your Adult Child.** Make sure he or she understands his or her insurance coverage, how to access care and where to find information about the plan if he or she has questions.
- * **Talk to Other Parents.** Other parents of adult children may not know about the new health care law or how to make sure their children Get Covered. Getting covered can mean the difference between life and death; getting ahead or falling behind. This is not just about your children. It is about the health and well-being of an entire generation—physically and financially.

If your adult child is currently covered under your existing healthcare plan:

- * **Contact your health insurance provider** or benefits office as soon as possible. You might want to ask:
At what age will my currently enrolled adult child "age off" my plan?
Will my plan offer coverage to my uninsured adult child prior to the implementation deadline to ensure continuous coverage?
If not, when can I enroll my adult child in my plan?
When will coverage for my adult child begin?
How much will it cost me to add my adult child to my health insurance plan?



Will my plan provide coverage for my adult child beyond the age of 26?

- * **Check Into “Stop-Gap” options.** If your adult child will experience a gap in coverage between the date that he or she “aged off” and the date that their coverage under the new law begins, he or she may be eligible for COBRA in the meantime. If your adult child is not eligible for COBRA coverage, consider purchasing temporary individual insurance to ensure your child has coverage until coverage begins on your plan.
- * **Watch for Open Enrollment.** Young adults will qualify for an open enrollment period to join their parents’ family plan or policy beginning on or after September 23, 2010. Insurers and employers are required to provide notice for this special open enrollment period. Watch for it or ask about it to make sure your child is enrolled as early as possible.

- * **Expect an Offer of Continued Enrollment.** Insurers and employers that sponsor health plans will inform young adults of continued eligibility for coverage until the age of 26.
- * **Talk With Your Adult Child.** Make sure he or she understands his or her insurance coverage, how to access care and where to find information about the plan if he or she has questions.
- * **Talk to Other Parents.** Other parents of adult children may not know about the new health care law or how to make sure their children Get Covered. Getting covered can mean the difference between life and death; getting ahead or falling behind. This isn’t just about your kids. It’s about the health and well-being of an entire generation—physically and financially.

PS: Don't forget to make sure I Get Covered on September 23rd by visiting GetCoveredCA.org, joining our Facebook page and following the action on Twitter.

Have questions about the new health care law, eligibility or how to enroll? Visit GetCoveredCA.org.

¹<http://www.commonwealthfund.org/Content/Publications/Fund-Reports/2008/May/Rite-of-Passage--Why-Young-Adults-Become-Uninsured-and-How-New-Policies-Can-Help--2008-Update.aspx>

²<http://www.commonwealthfund.org/Content/Publications/Fund-Reports/2008/May/Rite-of-Passage--Why-Young-Adults-Become-Uninsured-and-How-New-Policies-Can-Help--2008-Update.aspx>

³US Department of Health and Human Services Young Adult Fact Sheet

⁴Robert J. Fortuna, Brett W. Robbins, Nandini Mani and Jill S. Halterman, “Dependence on Emergency Care among Young Adults in the United States” *Journal of General Internal Medicine* Volume 25, Number 7, 663-669

⁵Institute of Medicine, *Care without Coverage: Too Little, Too Late* (Washington: National Academy Press, 2002), and Stan Dorn, *Uninsured and Dying Because of It: Updating the Institute of Medicine Analysis on the Impact of Uninsurance on Mortality* (Washington: The Urban Institute, January 2008). www.urban.org/uploadedpdf/411588_uninsured_dying.pdf

⁶US Department of Health and Human Services Young Adult Fact Sheet

⁷US Department of Health and Human Services

⁸US Department of Health and Human Services Young Adult Fact Sheet