



Government Mandate Bulletin

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Dependent Coverage to Age 26

Health care reform - the new Patient Protection and Affordable Care Act -- makes important changes to the administration of medical benefit plans concerning dependents. The law requires employer-based and individual medical plans that cover dependent children to cover them up to, but not including, age 26. This provision of the health care reform legislation is effective upon renewal of coverage on or after October 1, 2010.

Highmark - and all of the Blue Plans throughout the country - recognized that, with this change, many dependents who are graduating in June would face a lapse in coverage until their group's renewal date. As a result, effective June 1, 2010, Highmark will continue coverage for young adults under age 26 who are currently covered on their parents' policy.

To qualify for this continuation of coverage, the dependent must have coverage that will end June 1, 2010, or later. Dependents cancelled prior to June 1, 2010 cannot be re-enrolled at this time. **NOTE:** *New small groups with coverage through Highmark Health Insurance Company are an exception. See below for details.*

Which members are affected by the June implementation date?

This change will be made for all *insured* groups (including cost-plus groups) and direct pay contracts. Here's the approach we're taking:

- **For direct pay contracts:** Dependents who would have been cancelled from direct pay contracts as of June 2010 have already been re-enrolled, and new ID cards have been sent explaining that their coverage is being continued. If these dependents no longer need coverage, they will need to notify Member Service to cancel their coverage. Moving forward, coverage for dependents currently enrolled through direct pay contracts will continue until age 26.



This provision of the health care reform legislation is effective upon renewal of coverage on or after October 1, 2010.

- **For insured group contracts:** Dependents who were scheduled to lose their coverage effective June 1, 2010, have already been terminated from their parents' coverage. If any of your clients want to continue coverage for these dependents, they'll need to add these dependents back onto their group coverage. *This will not be done automatically.*
- **NOTE:** *Highmark systems must be updated to accommodate the re-enrollment of dependents to age 26. Because of this, please instruct your clients that they must submit a paper Membership Change form to re-enroll these dependents and that the form should be submitted May 24, 2010 or later. Our membership system will be updated to accept paper enrollment changes at that time; the Employer Portal will not be prepared to accept these changes until later this summer.*

Moving forward (for dependents scheduled to lose their coverage July 2010 or later), coverage for dependents enrolled through insured group contracts will continue until age 26 unless the group takes steps to remove these dependents from their contract.

“ASO clients that choose a June 1, 2010 effective date can choose to limit this to a continuation of coverage...”

How the change affects Highmark Health Insurance Company groups

For your existing clients moving to Highmark Health Insurance Company (HHIC) and new small groups purchasing coverage from HHIC, the “full” dependent coverage provision, as required by Patient Protection and Affordable Care Act (PPACA), will be implemented as soon as the group's coverage becomes effective with HHIC. This means that any dependents under age 26 who need health insurance can enroll on their parents' coverage as of the parents' effective date with HHIC.

Options for ASO accounts

Self-funded (ASO) accounts will have a number of options in terms of implementing this change. They can make the change effective June 1, 2010 or wait until their next renewal - beginning October 1, 2010 - to make the change. To implement this change June 1, 2010, clients must notify Highmark via their client manager no later than May 31, 2010. Highmark will then continue coverage for dependents to age 26 that would have otherwise been cancelled June 1, 2010 or later.

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ASO clients that choose a June 1, 2010 effective date can choose to limit this to a continuation of coverage for dependents who would have been cancelled June 2010 or later ... or they can choose to implement the “full” dependent coverage provision, as required by Patient Protection and Affordable Care Act (PPACA), which would allow dependents under age 26 who were canceled prior to June 2010 to re-enroll for coverage effective June 1, 2010.

“Full” implementation upon renewal

Under PPACA, all dependents to age 26 can be covered beginning with October 2010 renewals. This includes dependents that lost their coverage prior to June 1, 2010.

- For individual (“direct pay”) policies, Highmark will provide this coverage for an effective date of October 1, 2010. If you have direct pay clients who want to re-enroll direct pay dependents whose coverage was cancelled prior to June 2010, you’ll need to use the standard enrollment process at that time.
- For group accounts, this coverage will be provided for an effective date on their first renewal on or after October 2010. For example, groups that renew in January will have coverage for dependents to age 26 effective January 2011. Upon your client’s renewal, you can use the standard enrollment process to re-enroll group dependents whose coverage was cancelled prior to June 2010.



Highmark is pleased to be able to offer this continuation of coverage to help our young adult members get access to the health care they need - with no lapse in coverage. If you have any questions, please contact your Highmark client manager.

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