

BTA Health Benefits Newsletter 1/27/12

The Affordable Care Act of 2010 and Your Young Adult Child

Great News! Did you know that since President Obama passed The Affordable Care Act in 2010 your children are eligible to be covered under your health plan until they turn 26?

Many parents and their children who worried about losing health insurance after they stopped being a full time student no longer have to worry.

-Young adults have the highest rate of uninsured of any age group.

About 30% of young adults are uninsured, representing more than one in five of the uninsured. This rate is higher than any other age group, and is three times higher than the uninsured rate among children.

-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, and other employment that typically comes without employer-sponsored health insurance.

-The uninsured rate among employed young adults is one-third higher than older employed adults.

-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. Nearly half of uninsured young adults report problems paying medical bills.

Before the President signed the Affordable Care Act into law, most health plans removed adult children from their parents' policies because of their age, once they graduated from full time school. Most had to either scramble to find any job that offered benefits, paid exorbitant amounts for private coverage, or took the risk of going without any health coverage.

The Affordable Care Act requires plans that offer dependent coverage to make the coverage available until the adult child reaches the age of 26 (their 26th birthday). The goal of this new policy is to cover as many young adults under the age of 26 as possible with the least burden. Plans and issuers that offer dependent coverage must offer coverage to enrollees' adult children until age 26, even if the young adult no longer lives with his or her parents, is not a dependent on a parent's tax return, or is no longer a student.

Important Exception: Dental Coverage for adult children is not included in this provision.

Married or unmarried children (although their own spouses and children do not qualify) are covered from birth to the age of 26 years if they are the Employee's biological children, adopted children, children placed with a covered Employee in anticipation of adoption or Foster Children. Step-Children may also be included as long as the biological parent remains married to the Employee. **The adult child must not be eligible for coverage or covered under another group health plan, fund or policy (prior to 2014).** Exception: coverage of the dependent child under the other parent's group health plan, fund or policy is allowed.

But beginning in 2014, children up to age 26 can stay on their parent's employer plan even if they have another offer of coverage through an employer. Any qualified individual must be offered all of the benefit packages available to children who did not lose coverage because of loss of dependent status. The qualified young adult cannot be required to pay more for coverage than similarly situated individuals who did not lose coverage due to the loss of dependent status.
Thank you President Obama.

Respectfully submitted by Michael Hardiman 1-27-12