

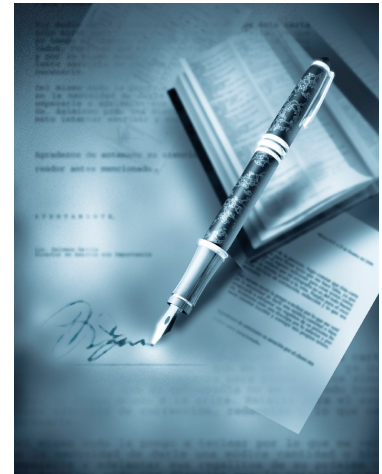
## “AGE 29” LAW

On July 29, 2009, Governor David A. Paterson signed into law Chapter 240 of the Laws of 2009, which extends the availability of health insurance coverage to young adults through the age of 29. This expansion will assist young adults who do not have access to employer-sponsored health insurance. This law is sometimes referred to as the “Age 29” law, because it permits young adults to continue or obtain coverage under a parent’s policy through the age of 29.

The law affects policies or contracts issued, renewed, modified, altered or amended on or after September 1, 2009. For most policies, the new benefit will apply on the policy’s annual renewal date. You can contact your R&K Client Manager to determine your renewal date.

The law provides two distinct ways in which coverage may be extended:

1. A “Young Adult Option” and
2. A “Make-Available” requirement.



Because both benefits are so different, they will need to be described separately. Information on the “young adult option” is detailed below. Information on the “make-available” requirement will be sent out to you as soon as the New York State Insurance Department posts the details to their website. We will then send you a new RK Benefit Alert to inform you of the details.

### Summary of the “Young Adult Option”

Chapter 240 of the Laws of 2009, sometimes called the “Age 29” law, permits eligible young adults through the age of 29 to continue or obtain coverage through a parent’s group policy. Insurers will notify employees of this benefit. Employees or their eligible dependents may then elect the benefit and pay the premium, which cannot be more than 100% of the single premium rate. As described in the cover note, this benefit, referred to here as the “young adult option,” is separate and distinct from the “make-available” requirement. It is called the young adult option benefit because it permits eligible young adults to continue their coverage through a parent’s health insurance coverage once they reach the maximum age of dependency under the policy. Young adults may also elect this coverage when they newly meet the eligibility criteria, such as if they lose eligibility for group health insurance coverage.

### Young Adult Option - Frequently Asked Questions

#### 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:

- Be a group health insurance policy that includes coverage for dependents;
- Be issued for delivery in New York State; and
- Be fully insured (this benefit does not apply to self-insured plans).

- The Parent

The parent must be eligible for coverage under the group policy as an employee or member of the group.

- The Young Adult

The young adult must:

Be unmarried;

Be 29 years of age or under;

Not be insured by or eligible for health insurance through his or her own employer;

Live, work or reside in New York State or the health insurance company's service area; and

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.

### **When does this law take effect?**

The law affects policies or contracts issued, renewed, modified, altered or amended on or after September 1, 2009. For most policies, the new benefit will apply on the policy's annual renewal date. You can contact your client manager for your renewal date.

### **Who will notify the employee of this benefit?**

The insurer will provide written notification to employees (not young adults) in each certificate of coverage and at least 60 days prior to the date the young adult who is covered as a dependent under the parent's policy would otherwise have coverage terminate due to reaching the maximum age for dependent coverage.

Insurers must also notify employees of the initial 12-month open enrollment period, which runs for 12 months following renewal of the health insurance policy or contract.

If you think that you are eligible for this benefit but do not receive notice, please contact your parent's insurer.

### **When may they enroll?**

There are four times when they may enroll:

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

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

2. **When They Experience a Change in Circumstances**

They may enroll within 60 days of newly meeting the eligibility requirements. Coverage will be prospective and will start within 30 days of when the insurer receives notice of the 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**

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

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

There is an initial 12-month open enrollment period, which runs for 12 months following the first renewal of the health insurance policy or contract. If they meet the eligibility requirements during this initial 12-month open enrollment period, they may enroll during this time. Coverage will be prospective and will start within 30 days of when the insurer receives notice of the election and premium payment.

**If they elect this benefit, when will the coverage start? Will it be retroactive to the last time that they had coverage?**

Coverage will be retroactive if they elect it within 60 days of the date that they would otherwise age off a parent's policy. In all other cases, coverage will be prospective and will start no more than 30 days from the date that the insurer receives notice of the election and premium payment.

**What is the cost?**

The cost may not exceed 100% of the single premium rate.

**How do they enroll?**

To enroll, they should notify the insurer in writing and include payment of the first month's premium. Contact the plan administrator or insurer to find out the amount of the premium.

**Does this law apply to self-insured plans?**

No, it does not apply to self-insured plans.

**What if they have a child. Does this make them ineligible?**

No. 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 they need to cover their children, they 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.

**If they are eligible for COBRA/state continuation coverage from a former employer, are they eligible?**

Yes, as long as they meet the other requirements for the young adult option. They can elect COBRA/continuation coverage through their employer or they can instead make an "Age 29" election.

**What if they are covered through Healthy NY. May they still make an "Age 29" election?**

If they have Healthy NY coverage as an individual, then they may make an "Age 29" election if they meet the eligibility requirements. If they have Healthy NY through their employer, then they cannot make an "Age 29" election, because they have employer-sponsored insurance.

**What if their parent separates from his or her employer or group and is no longer eligible for health insurance, are they still eligible?**

No. If this occurs, then they would lose the right to the young adult option.

**If their parent has COBRA/state continuation coverage, are they still eligible?**

Yes, they are still eligible while their parent has COBRA/state continuation coverage, if they meet the eligibility requirements.

**What if they had "Age 29" coverage and then it ended because they no longer met the eligibility requirements, but then their situation changed, and they meet the eligibility requirements again. Can they get "Age 29" coverage again?**

Yes. They are not limited to having this coverage only once. They may elect it within 60 days of newly meeting the requirements or during the annual 30-day open enrollment period.

**What if they exhaust their benefits under the “Age 29” law, may they elect COBRA or state continuation coverage and receive an additional 36 months of coverage?**

No, when their coverage under the "Age 29" young adult option terminates, they would not have a COBRA/state continuation right at that time.

**What else should they consider before making an “Age 29” election?**

They should weigh all of their options carefully. They should verify with their parent's employer or insurer the age at which they would no longer be considered a dependent under the policy. They may also want to determine if they are eligible for programs such as [Family Health Plus](#) or [Healthy NY](#), which may be less expensive than coverage through the young adult option. They should carefully consider the pros and cons of each type of coverage, including determining what benefits each plan covers, what the out-of-pocket costs would be, and whether their doctors or providers are in the network, if applicable.

**Can the parent enroll the young adult in the young adult option?**

Yes. Parents may enroll their young adults in the option for them.

**If the parent's employer offers several different benefit packages, do they get to choose which one they want?**

No. they will receive the same benefit package as their parent.

**When will coverage end?**

Coverage will end when one of the following occurs:

1. They terminate their coverage pursuant to the terms of the policy.
2. The parent loses eligibility for group health insurance.
3. They no longer meet the eligibility requirements.
4. They do not pay the premium in full within the grace period.
5. The group insurance policy is terminated and not replaced.

**What if the young adult is not eligible for this benefit?**

If they are not eligible to make an “Age 29” election, they may be able to elect **COBRA/state continuation coverage** for up to 36 months. They would be responsible for up to 102% of the premium. They could consider **Healthy NY**, which provides reduced-cost coverage to those people meeting eligibility requirements. They may also want to consider **Family Health Plus**, which provides free coverage to people meeting income and other eligibility requirements.

**What if you need more information about this law?**

Contact the Insurance Department's Consumer Services Bureau at (212) 480-6400 or 1-800-342-3736 or your Rose & Kiernan, Inc. benefit representative at (518) 244-4245.

*This Summary is provided to you for general informational purposes only and does not include references to other legal resources (e.g., supporting regulations, or formal or informal opinions) unless specifically noted. Please seek qualified and appropriate counsel for further information and/or advice regarding the application of the topics discussed herein to your employee benefits plans.*

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