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.

Brief Overview

1. What is the difference between the Make Available Option and the Young Adult Option?
Employers must now allow for one of two methods of providing coverage to over-age dependents:

- **Make Available Option** It is called the Make Available Option because insurers are required to make it available at the request of the group or individual policy holder/contract holder. Employers or group policy holders/contract holders who choose to extend the age of dependency under the policy through the age of 29 may purchase a rider from their carrier. The rider would apply to all people with dependent coverage under the policy.

If the Make Available Option rider is not purchased, then the Young Adult Option must be implemented.

- **Young Adult Option** It is called the Young Adult Option 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 once they meet the eligibility criteria, such as if they lose eligibility for group health insurance coverage. This allows any eligible dependent to purchase his/her parent’s group coverage as a subscriber, without contribution from the employer.

2. What is the cost?
There are two scenarios:

1. If the group chooses to add the rider – the Make Available Option – (at inception or upon renewal beginning September 1, 2009), the group will be responsible for the cost of the rider and any premium difference that results from the dependent being added to the parent’s current policy.

At this time, the rates are under review by the New York Department of Insurance. Approximate costs for the rider are being communicated to groups that inquire about purchasing the coverage in order to assist the groups in determining whether they want to purchase the coverage. While we may conditionally quote rates in New York and provide informational Summaries of Coverage, we may not sell the rider until we receive regulatory approval. The current time table is typical of other implementations where the enactment and effective dates are so close in time (Example: Timothy's Law).

For new and renewing groups, the rider will be offered beginning with cases effective or renewing on or after September 1, 2009 as follows:

- Groups with 2-50 employees will not be charged for the rider until April 1, 2010; this applies to new groups and upon renewal for existing groups.
- Groups with 51+ employees will be charged for the rider beginning with the group’s effective or renewal date on or after September 1, 2009.

The group must request the addition of the rider at renewal in writing. The request must be signed by a listed contact or officer of the company.

2. If the group chooses not to add the rider, the dependent may enroll as a subscriber – Young Adult Option – and the young adult or his/her parent will be responsible for the single premium.
3. **When will new Certificates of Coverage be issued to groups?**

New Certificates of Coverage will be issued to groups as soon as the Certificates and the Make Available Option rider rates are approved by the New York Department of Insurance. Since every carrier in the state is submitting documents for this law, COBRA and mental health parity, we do not know when they will be approved.

We will be including the Young Adult Option in all Certificates of Coverage. If a group selects the Make Available Option, those members will receive a rider that will override the Young Adult Option language in the Certificate.

### Legislation

1. **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 existing policies, young adults and their parents will be able to access the Young Adult Option once the right attaches to the policy. **For most policies, this will happen on the policy’s first renewal date on or after September 1, 2009.** If the Make Available Option rider is not selected to be added to the policy, then the Young Adult Option must be included with all new policies issued on or after September 1, 2009.

2. **What is the option for members if the group is not yet up for renewal?**

   Only upon the group’s renewal can the Make Available Option rider be purchased or the Young Adult Option be selected. The young adult has a 12-month open enrollment period as of the group’s renewal date (non-rider option).

3. **Who is eligible?**

   This law requires the young adult’s parent and the young adult to meet certain requirements in order to participate:

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

   **Young Adult Requirements**
   - The young adult must:
     - Be unmarried;
     - Be 29 years of age or under;
     - Not be insured by, or eligible for comprehensive (i.e. medical and hospital) 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: The young adult does not have to live with a parent, be financially dependent on a parent, or be a student.*

4. **How is the “health insurance company’s service area” defined under this law?**

   Wherever a carrier has a contracted network, that location is to be considered their service area. Therefore, **because UnitedHealthcare (UHC) has a network in all 50 states, a young adult can live, work or reside in any state and be eligible.** However, if the carrier’s Certificate of Coverage clearly states that the carrier’s service area is limited to the service area approved by the State of New York, then it can be limited to that approved service area.

5. **Who will notify members of this benefit?**

   The law indicates that the insurer must provide written notification to group members or 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 will also notify employees or group members of the initial 12-month open enrollment period, which runs for 12 months following the date that coverage through the Young Adult Option becomes available under the policy or contract.
Under the Make Available Option, the insurer will provide written notice to the employer or group policy holder/contract holder prior to the inception of the group policy/contract and annually thereafter prior to the renewal date. [Our communications must be approved by the New York Department of Insurance (DOI) and are not available yet.]

In the New York Circular dated September 30, 2009, the DOI recommended that insurers should encourage group policy and contract holders to provide information about the law to their members. To assist, the DOI has provided the following Web site: http://www.ins.state.ny.us/health/S6030_Age29.htm.

6. If notices are being issued to affected members, will a copy be distributed to brokers?
Yes. As part of our communications protocol, brokers receive advance notice of employer and member communications.

7. When may a young adult enroll?
There are four times when a young adult may enroll:

1. When they would otherwise age off a policy
   If a young adult is currently covered under a parent's group policy, the young adult 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 the coverage would have otherwise terminated.

2. When they experience a change in circumstances
   A young adult may enroll within 60 days of their meeting the eligibility requirements. Coverage will be prospective. Examples of changes in circumstance include 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 open enrollment period. If a young adult meets the eligibility requirements, they may elect coverage during this period. Coverage will be prospective.

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. If a young adult meets the eligibility requirements during this initial 12-month open enrollment period, they may enroll during this time. Coverage will be prospective.

8. Are there any other insurance plans that this law does not apply to?
The law does not apply to dental only, vision only, pharmacy only, accident only, or specified disease coverage. It does not apply to self-funded/self-insured plans due to federal preemption under the Employee Retirement Income Security Act (ERISA).

9. May a young adult covered through an Individual policy purchased on their own be eligible to make a Young Adult Option election?
If a young adult has coverage as an individual, he or she may make a Young Adult Option election if they meet the eligibility requirements.
Make Available Option

1. What is the benefit of adding the Make Available Option rider?
This option allows eligible dependents to enroll onto their parents plan as a dependent, and the group will be responsible for any premium difference.

   Example: Mother and father enrolled now are charged couple rate; adding a dependent would change to family rate.

2. How does a group request the addition of the rider at renewal?
The group must request the rider in writing. The request must be signed by a listed contact or officer of the company

3. Once a group adds the rider, how does the eligible dependent submit a request to join the plan?
The group must submit an Addition/Termination/Change (ATC) Form or a Member Enrollment Form to add the dependent using their normal protocol (regardless of effective date).

Young Adult Option

If the Make Available Option rider is not purchased, then the Young Adult Option must be implemented.

1. How does a young adult enroll?

   For Oxford Products
   To enroll, a young adult or parent should send a written request to the group’s benefits administrator.

   The group must complete and submit a Member Enrollment Form (MEF) with the dependent as the subscriber. The MEF must be signed by a listed contact or officer of the company, and the young adult. The group must indicate “Young Adult” on the MEF and provide the parents member ID for verification purposes. The MEF should be sent to the address provided on the form.

   We will enroll the young adult with the same Oxford coverage option the parent selected, and will send a bill to the young adult for the first month's premium.

   For UnitedHealthcare Products
   To enroll, a young adult or parent should complete the NY Young Adult Option enrollment form and send it to the group’s benefits administrator.

   The group must complete all fields of the form. The enrollment form must be signed by a listed contact or officer of the company, and the young adult. The form should be sent to UnitedHealthcare, P.O. Box 30963, Salt Lake City, UT 84130-0963. Enrollment must be completed using a paper enrollment form – it cannot be completed through Employer eServices or by group tape.

   We will enroll the young adult with the same UnitedHealthcare coverage option the parent selected, and will send a bill to the young adult for the first month's premium.

2. Will the premium for the Young Adult Option be billed to the group or to the covered dependent?
The premium for the Young Adult Option will be direct billed to the dependent. The group will not be asked to collect and remit this premium to us. The cost of the Young Adult Option is 100% of the single rate.

3. Is coverage retroactive? If so, when does it start?
Coverage will be retroactive if it is elected within 60 days of the date that the young adult 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.
4. If a young adult has a child, will that make the young adult ineligible?
No. Young adults with children may make a Young Adult Option election if they meet the eligibility criteria. However, young adults’ children cannot be covered under the law. If a young adult needs to cover their child(ren), he or she may want to consider Child Health Plus. Child Health Plus coverage is available at a reduced premium to children in families at certain Federal Poverty Levels. The New York State Web site provides more information about Child Health Plus at http://www.nyhealth.gov/nysdoh/chplus/.

5. Is a young adult who works and is eligible for coverage through their employer, but has very poor benefits, eligible?
If an employer provides health insurance that includes both medical and hospital benefits, whether insured or self-funded, then the young adult cannot make a Young Adult Option election. If the employer provides coverage that does not include both medical and hospital benefits, then the young adult may be eligible if they meet the other requirements.

6. Is a young adult who is eligible for COBRA/state continuation coverage through their former employer eligible for the Young Adult Option benefit?
Yes, as long as they meet the other requirements for the Young Adult Option. They can elect COBRA/state continuation coverage through their employer or they can make a Young Adult Option election instead. They should weigh their options carefully before making a decision.

Please keep in mind that it may be better for the young adult to exhaust his or her COBRA/state continuation benefits before making a Young Adult Option election. This is because if a young adult has coverage pursuant to a Young Adult Option election and the parent loses eligibility for group coverage or they no longer qualify as a young adult, their coverage would terminate and they would not have a separate right to COBRA/state continuation under that group policy. However, if a parent loses eligibility for group coverage and the young adult has COBRA/state continuation coverage, the coverage would not terminate.

7. If a parent’s employer offers family coverage, but the parent currently has self-only coverage, does that prohibit the young adult from making a Young Adult Option election?
No. The young adult or parent may make a Young Adult Option election even if the parent does not have family coverage.

8. If a parent separates from his or her employer or group and is no longer eligible for health insurance, is the young adult still eligible?
No. If this occurs, the young adult would lose his or her right to the Young Adult Option.

9. If a parent has COBRA/state continuation coverage, is their young adult eligible?
Yes. Their young adult is still eligible while their parent has COBRA/state continuation coverage and the young adult meets the eligibility requirements.

10. If a young adult had the Young Adult Option coverage and then the coverage ends because the young adult no longer meets the eligibility requirements, but later their situation changes, and they meet the eligibility requirements again, can the young adult get the Young Adult Option coverage again?
Yes. Young adults are not limited to having this coverage only once. A young adult may elect Young Adult Option coverage within 60 days of their meeting the requirements or during the group’s annual open enrollment period.

11. If a young adult exhausts their benefits under the Young Adult Option, may they elect COBRA/state continuation coverage and receive an additional 36 months of coverage?
No. When coverage under the Young Adult Option terminates, the young adult will not have a COBRA/state continuation right at that time.

12. If a parent’s employer offers several different benefit packages, does the young adult get to choose?
Insurers and employers are not required to offer different benefit packages for the Young Adult Option. Young adults should be given the same benefit plan that the parent has. So if, for example, dental, vision or pharmacy is part of the parent’s medical plan (riders purchased by group), then the young adult will be afforded the same benefits. However, if the parent has dental, vision or pharmacy through stand-alone coverage, the law does not apply.
13. Is there a grace period for premium payment under the Young Adult Option coverage?
Yes. There is a 30-day grace period for premium payment. If full payment is not made within the 30-day grace period, then coverage may be terminated back to the date that the last premium payment was paid.

14. When will coverage end?
Coverage will end when one of the following occurs:
  • Coverage terminates pursuant to the terms of the policy.
  • The parent is no longer enrolled in group health insurance coverage, including COBRA/state continuation coverage.
  • A young adult no longer meets the eligibility requirements.
  • Premiums are not paid in full within the grace period.
  • The group insurance policy is terminated and not replaced.

15. What if a young adult is not eligible for this benefit?
If a young adult is not eligible to make a Young Adult Option election, he or she may be able to elect COBRA/state continuation coverage for up to 36 months. The young adult would be responsible for up to 102% of the premium.

16. Can dependents enroll in the Young Adult Option for medical coverage and enroll in COBRA for dental or vision coverage?
The law does not review a young adult having both COBRA and medical coverage at the same time in order to receive supplemental benefits not provided under the law. Therefore, we believe this can be done.

17. When does the dependent’s eligibility expire?
The dependent is eligible through December 31st of the year in which they turn age 30.

18. Does the Young Adult Option apply to municipal cooperatives?
Yes. The Young Adult Option coverage is applicable to municipal cooperatives.

19. Does the Young Adult Option apply to Healthy NY policies?
Yes. The Young Adult Option coverage is applicable to Healthy NY group policies.