

2010

Dependent Under 31

A guide to the health insurance coverage options for young adults, including legislative bulletins and carrier forms and administration.



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Summary

The New Jersey Legislature enacted P.L. 2005, c. 375, and then revised it effective in 2009 (Sections 29 through 35 of P.L. 2008, c. 38) in order to increase the options for young adults to obtain or maintain health coverage and have better access to health care services.

Chapter 38 makes two significant changes to Chapter 375. Chapter 38 extends the age for eligibility through a young adult's 31st birthday; thus, the Department now refers to it as the Dependent Under 31 (DU31) election. Further, Chapter 38 removes the requirement that the young adult has to age-out from a group health benefits plan to be eligible to make a DU31 election, allowing instead for proof of prior creditable coverage or receipt of benefits. Each carrier will be responsible for establishing their own process to administer these plans.

Basic Eligibility Requirements

If both the employer's plan and the young adult's parent meet the DU31 requirements, the young adult may enroll if he or she:

- is younger than 31 years old, but older than the limiting age for dependent children stated in the group health benefits plan in which he or she wants to enroll (Note: for plans renewing on or after 9/23/2010, coverage must be extended until age 26 per PPACA)
- is a resident of New Jersey, or, if not residing in New Jersey, is a full-time student at an accredited public or private institution of higher education
- is not covered under another group health plan, church plan, individual health benefits plan and is not entitled to Medicare as of the date that coverage under the parent's group health benefits plan would begin (note: a young adult can have other coverage upon the date the DU31 election is made, but not upon the date the DU31 coverage becomes effective)
- does not have any children
- does not have a spouse, civil union partner or domestic partner.

***Note:** A dependent would be subjected to a pre-existing condition limitation if they have a significant gap in coverage. An acceptable gap in coverage is 90 days for small group and 63 days for large group. A gap out of this range would subject the dependent to the pre-existing condition limitation. Dependents should provide proof of prior creditable coverage in this case.

[\[source: NJDOBI Coverage of Young Adults Under the DU31 Law, question 32\]](#)

Enrollment Periods

- If the requirements for the group coverage, the parent and the young adult are all met, then the young adult may enroll in the group health benefits plan at any time.
- In addition, if a young adult has not yet aged-out of his or her parent's group health benefits plan, he or she will have an opportunity to make the DU31 election within 30 days BEFORE he or she is scheduled to age-out of the coverage.

Transition from the Dependent to Age 30 Law to the Dependent Under 31 Law:

- A young adult covered as an over-age dependent in 2008 who was disenrolled because he or she turned 30 years old prior to January 5, 2009, may make a DU31 election at any time after January 5, 2009 (prior to his or her 31st birthday).
- No young adult covered as an over-age dependent who turns 30 years old in 2009 should be required to disenroll prior to his or her 31st birthday, assuming all other conditions for enrollment continue to be met.

Carrier Information Grid

Carrier	% Single Rate	2% Admin Fee Included	Admin	Dependent Billed Directly	Deductible, MOOP applied to other Family Members	How Often Dependent Billed	Dep Under 31 End of Coverage
Aetna	74	Yes	Stand Alone	Yes	No	Monthly	Depends upon group plan*
Amerihealth	67.4	Yes	Stand Alone	Yes	No	Monthly	31 st Birthday
CIGNA	70	No	Stand Alone	Yes	No	Monthly	31 st Birthday
HealthNet	71.4	Yes	Stand Alone	Yes	No	Monthly	Midnight the day before the 31 st birthday
Horizon	60.8	Yes	Stand Alone	Yes	No	Monthly	31 st Birthday
Oxford	76.5	Yes	Stand Alone	Yes	No	Monthly	31 st Birthday

**Either day before the 31st birthday, 14th of the month following 31st birthday or end of the month following 31st birthday.*

Frequently Asked Questions

Links to carrier "Frequently Asked Questions" surrounding Dependent Under 31 issues:

- [AmeriHealth FAQ](#)
- [NJDOBI](#)

Submission Requirements For Dependent Under 31 Enrollment

Carrier	Relevant Forms/Information
Aetna	HINT Application NOTE: Employers must validate candidate eligibility prior to submitting HINT application.
Amerihealth	Amerihealth Enrollment Form Verification of Eligibility Requirements HINT Application - Instructions A check for the first month's premium must accompany the application.
CIGNA	CIGNA requests all members enrolling for Dependent under 31 coverage to call 1-800-315-6011 or members can initiate the enrollment process in writing. CIGNA representatives will conduct eligibility checks and then assist the member in completing the necessary forms.
HealthNet	HINT Application Standard Enrollment Form
Horizon	Enrollment Form Completed with Dependent's Information
Oxford	HINT Application Addition/Termination/Change Form

Potential Challenges

No Notification When a Dependent Ages-Out

Employees typically do not realize their overage dependent has no coverage because they were not officially notified that the dependent was about to lose coverage. When they realize their dependent lost coverage, it is usually too late to get them on to Dependent Under 31 coverage.

For Most Carriers, Overage Dependents Get Their Own Bills

Parents/Groups that sign overage dependents up for Dependent Under 31 coverage don't realize the bill goes directly to the dependent. If the dependent does not pay the bill, they will get terminated. When a Dependent Under 31 gets terminated for non-payment, it is extremely difficult to get the person reinstated.

Submit All of the Forms Required

Brokers and Groups not realizing that in addition to the Dependent Under 31 HINT enrollment form, most carriers require an employee application to be submitted. This leads to delays in timely enrollment of the overage dependent. Keep in mind that when the young adult fills out the employee enrollment application, he/she should list themselves as single coverage, not as a dependent on the parents' plan (they need to fill out the application like an employee of the group). Submitting the correct paperwork timely will ensure no delays in getting the Dependent Under 31 on the plan.

Horizon: Although Their Enrollment System is Now Automated, it Remains the Group's Responsibility to Monitor Dependents Who Age-Out.

Horizon's enrollment system will automatically identify dependents who reach the maximum age on their contract. Each month, it will be determined which dependents are no longer eligible for coverage (i.e. day of their 26th birthday). Once the affected dependents are identified, the dependent will be terminated using the contracted rules (i.e., end of calendar month, end of calendar year, etc.). Horizon will send all affected dependents a Certificate of Creditable Coverage (COCC) letter with the standard important information. The affected dependent may choose to elect COBRA continuation or New Jersey Group Continuation (depending on group size) or may choose to elect Dependent to Age 31 continuation if all the eligibility requirements are met. Please note that your client should still continue to notify Horizon when a dependent is no longer eligible for coverage prior to reaching the limiting age.

New Jersey Legislation

NJDOBI Bulletin 09-02: *Dependent Under 31 (P.L. 2008, c.38, ss. 29 through 34)*

Summary: Chapter 38 extends the age for eligibility through a young adult's 31st birthday; thus, the Department now refers to it as the Dependent Under 31 (DU31) election. Chapter 38 also removes the requirement that a young adult have aged-out from a group health benefits plan to be eligible to make a DU31 election, allowing instead for proof of prior creditable coverage or receipt of benefits.

NJDOBI Bulletin 07-07: *Amendments to the HINT Forms*

Summary: Carriers no longer need to use the Temporary HINT Supplemental Information Forms. Replacing the Temporary HINT supplemental Information Forms are Group or Non-Group Enrollment/Request Forms.

- [Group Enrollment/Change Request Form](#)
- [Non-Group Enrollment/Change Request Form](#)

NJDOBI Bulletin 07-17: *Amendments to the HINT Forms*

Summary: HINT forms have been revised to include the LOC# under 'Activity' section for the 'Primary', 'OB/GYN' or 'Dentist' entries.

NJDOBI Bulletin 06-14: *P.L. 2005, C.375 Continuation Coverage For Eligible Dependents Until 30 Years of Age. Administration-Notices*

Summary: This bulletin clarifies that the law indicates that both carriers and employers have a responsibility to provide information to the parent about Chapter 375 election.

NJDOBI Bulletin 06-13: *P.L. 2005, C.375 Continuation Coverage For Eligible Dependents Until 30 Years of Age. Administration-Claims and Billing*

Summary: This bulletin provides guidance to carriers on certain administrative issues. It revises guidance previously set forth in Bulletin 06-11. Carriers are considered compliant with Chapter 375 when they implement continuation requirements consistent with Option 1: Integrated, or Option 2: Stand Alone.

NJDOBI Bulletin 06-12: *Enrollment/Change Request Form For Continuation Coverage for Eligible Dependents Until 30 Years of Age Pursuant to P.L. 2005, C.375*

Summary: This Bulletin provides guidance regarding the collection of data for the continuation election

process. Until the HINT enrollment form amendments are adopted, carriers are permitted to use a Temporary HINT Supplemental Enrollment Information Form.

[NJDOBI Bulletin 06-11](#): *P.L. 2005, C.375 Continuation Coverage For Eligible Dependents Until 30 Years of Age. General Positions, Questions and Answers.*

Summary: For carrier guidance on how to interpret and implement Chapter 375 the Department answers questions on Continuation Election Rights, General Principles of Chapter 375, applicability of the law, enrollment eligibility and termination causes, and miscellaneous terms and conditions.

[NJDOBI Bulletin 06-06](#): *Rates for Continuation Coverage for Eligible Dependents Until 30 Years of Age Pursuant to P.L. 2005, C.375*

Summary: Carriers need to develop rates prior to the effective date of Chapter 375 in order to insure that Chapter 375 coverage continuation elections can be completed starting on May 12, 2006. This bulletin provides carrier guidance on rate methodology and filing.

Sample Client Letters

[Letter to Clients About DU31 With Executive Summary](#)

This sample letter can be used as a template to provide clients with information on Dependent Under 31 and an executive summary of the legislation.