

# You may be able to remain on your parents' health insurance plan until you turn 26.

**Spread the word to your peers, wherever they are!**

With the passage of the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act of 2010, **health plans are now required to allow young adults to remain on their parents' health insurance until age 26.** Insurance companies must enact this provision by **September 23, 2010.** More than **1.2 million uninsured young adults are expected to benefit** from this provision almost immediately, about half of whom are now uninsured.

★★ Think about how – and where – you can share the information with your friends and family – text message, Twitter, Facebook and more! Use whatever resources you have available to you.

You will qualify for your parents' health insurance plan if you:

- Are under the age of 26
- Are not receiving health insurance from an employer

Note that in order to qualify, you do **NOT** need to be:

- Living with your parents
- A dependent on your parents' tax return
- A student
- Single

## **Make sure that you are insured today!**

If you are currently on your parents' health insurance plan:

Re-enroll in your parents' plan beginning on September 23, 2010, or whenever the plan is up for renewal (which is January 1, 2011 for many plans).

If you are NOT currently on your parents' health insurance plan:

Check what insurance plan your parents have. Next, see when the insurance company will enact the provision (many have started enacting it early, although all must enact it by September 23, 2010. Check here to see what your parents' insurance plan decides: [http://www.hhs.gov/ociio/regulations/adult\\_child\\_faq.html](http://www.hhs.gov/ociio/regulations/adult_child_faq.html)). Enroll in your parents' plan once the insurance company makes it available.

## How does health care reform affect *me*?

The new legislation:

### **Makes it easier for young adults to get health coverage and keep it.**

- Allows young adults to remain on their parents' health insurance until age 26\*. (*Effective September 23, 2010.*)
- Creates a temporary "high-risk" pool for people who were denied health coverage due to a pre-existing condition to access health insurance. (*Effective June 24, 2010.*)

### **Prevents insurance companies from unjustly denying coverage.**

- Insurers will no longer be able to refuse to cover young adults because of a pre-existing condition. (*Effective 2014.*)
- Prohibits insurance companies from canceling coverage when a person becomes sick.
- Eliminates lifetime limits on covered benefits almost immediately. (*Effective September 23, 2010, or when health plan is renewed.*)
- Bans restrictive annual limits on benefits in September, 2010 and eliminates all annual limits in 2014.

### **Makes health coverage more affordable.**

- Offers young adults under age 30 the option of purchasing a low-cost "Catastrophic-Plan," designed to provide health coverage with low premiums—but high deductibles—for young adults. (*Effective 2014.*)
- Provides tax credits for individuals with incomes below 400 percent of the Federal poverty level (up to about \$43,000 for an individual) who are not insured through an employer to help them purchase meaningful health coverage. (*Effective in 2014 when the exchanges are operational.*)

### **Expands and strengthens the health safety net.**

- Provides the greatest expansion of Medicaid coverage for the poor since the program's enactment in 1965. Young adults with incomes below 133 percent of poverty (up to about \$14,400 for an individual) will become eligible for Medicaid. (*Effective 2014*)

### **Includes extra assistance for the most vulnerable young adults.**

- Requires states to extend Medicaid coverage to age 26 for youths who were in foster care at age 18 or older and are not otherwise eligible for Medicaid. (*Effective 2014.*)

*\* Beginning on September 23, 2010 (or when the plan is up for renewal, in many cases January 1, 2011) this provision applies to all health plans in the individual market, new employer plans, and existing employer plans, unless the young adult has been offered health coverage through his or her own employer. However, beginning in 2014, children up to age 26 can stay on their parent's employer plan even if they have been offered their own health coverage through an employer.*

*Young adults who are on their parents' plan now but who will lose that coverage when they graduate from college this year will have the option to reenroll in their parents' policy in the new plan year starting in September 2010 (or when the plan is up for renewal, in many cases this is likely to be in January 2011). Both married and unmarried young adult dependents will qualify for coverage through their parents' plans.*

*Children's Defense Fund, April 2010*

## **Q+A: How does the “dependent coverage” provision of the health care reform bill affect me?**

### **Q: When does the dependent coverage provision go into effect?**

**A:** Beginning on September 23, 2010 (or when the plan is up for renewal, which in most cases will be January 1, 2011). At that time, young adults who are on their parents' plan now but who would have lost that coverage will have the option to reenroll in their parents' policy. Insurance companies must give young adults 30 days to enroll once the new plan year starts.

### **Q: Have some plans decided to enact this provision early?**

**A:** Yes. Many insurers and several self-insured organizations have already said they will begin to extend coverage to young adults up to age 26 before the plans are required to do so under the law. A comprehensive list is available here ([http://www.hhs.gov/ociio/regulations/adult\\_child\\_faq.html](http://www.hhs.gov/ociio/regulations/adult_child_faq.html)), but please note that not all plans and employers have agreed to enact this provision early.

### **Q: Are all plans required to extend dependent coverage to age 26?**

**A:** All health plans in the individual market, new employer plans, and existing employer plans are required to extend dependent coverage to age 26 by September 23, 2010 (or when the plan is up for renewal, which in many cases will be January 1, 2011). The law requires all health insurance plans that offer dependent coverage to abide by this provision; while most insurers and employer-sponsored plans offer dependent coverage, there is no requirement to do so.

### **Q: If a young adult is offered health coverage through their employer, can they opt out and stay on their parents plan instead?**

**A:** Initially, no. If a young adult has been offered health coverage through his or her own employer, he/she is not eligible for dependent coverage. However, beginning in 2014, children up to age 26 can stay on their parent's plan even if they have been offered their own health coverage through an employer.

### **Q: Will it cost more for a parent to insure a young adult child under their policy?**

**A:** A parent can only be charged the plan's regular rate for the addition of another dependent to the health insurance plan; the young adult cannot be subject to a higher premium than a child of any other age.

### **Q: Will young adults be offered different benefits than other dependents?**

**A:** No. Young adults are entitled to the same benefit packages available to any other similar dependent who would not have lost coverage due to his/her age or graduation status.

### **Q: Are there tax benefits associated with this provision?**

**A:** Yes. The value of any employer-provided health coverage for an employee's children will be excluded from their taxable income through the year of the child's 26<sup>th</sup> birthday. This tax benefit was effective as of March 30, 2010.

Children's Defense Fund, May 2010

## Other Resources:

- [HealthCare.gov](http://www.healthcare.gov): The **federal government's new web portal** with information about health care reform and instructions on how to obtain insurance in all 50 states

Young adult section: <http://www.healthcare.gov/foryou/youngadults/index.html>

- [InsureKidsNow.gov](http://www.insurekidsnow.gov): A website created by the Department of Health and Human Services to **facilitate enrollment** in health insurance
- **HHS fact sheet** regarding the "dependent coverage" provision:  
[http://www.hhs.gov/ociio/regulations/adult\\_child\\_fact\\_sheet.html](http://www.hhs.gov/ociio/regulations/adult_child_fact_sheet.html)
- **HHS FAQ** regarding the provision: [http://www.hhs.gov/ociio/regulations/adult\\_child\\_faq.html](http://www.hhs.gov/ociio/regulations/adult_child_faq.html)
- **Getting Covered** is an independent screening tool for young adults to find out what coverage they may qualify for <http://www.gettingcovered.org>