



## June 1, 2010 Extension of Dependent Coverage

### Overview

Asuris has long been an advocate for reform and we're committed to doing all we can to ensure that the critical elements of reform are successful. The new health reform law is expected to help a lot of young people. One widely publicized provision taking effect later this year under the new Patient Protection and Affordable Care Act (PPACA) will allow young adults to stay on their parents' health insurance until age 26. Currently, states regulate the age at which children are allowed to stay on their parents' insurance policies. Asuris will implement the extension of the dependent coverage provision early to prevent gaps in coverage. For details, please see the frequently asked questions below.

### Frequently Asked Questions

**1. When is Asuris implementing the Dependent Age Extension provision?**

Effective June 1, 2010, Asuris will extend coverage to all dependents **currently covered** on their parents' health care policies up until age 26. While it is a key provision of the federal health reform act Patient Protection and Affordable Care Act (PPACA), insurers are not legally required to offer this coverage until the later this year. Asuris will implement this provision early for currently-covered dependents to avoid any interruption and possible confusion in coverage for our members.

**2. What does the federal legislation require?**

The PPACA passed into law in March 2010, requires health insurers to extend coverage to qualified adult children who are on their parents' policies until their 26<sup>th</sup> birthday regardless of marital status or financial dependency.

**3. What is the definition of "dependent?"**

Under the new federal law, coverage that allows a parent to enroll his/her child as a "dependent" must allow that child to remain on the policy until the child reaches age 26. A person can be a dependent even if they are married or not pursuing higher education. This extension does not apply to dependents' children or their spouses. This is the same definition Asuris will use when offering extended coverage.

**4. What if the dependent lives in a different state than their parents?**

Asuris will extend coverage to dependents of members on qualified Asuris plans (individual and fully-insured groups). Therefore, if a member has a dependent and they are on a qualified plan, this coverage will be extended out of state.

**5. Does the dependent have to be enrolled in college or pursuing some form of higher education?**

No. There are no restrictions for students v. non-students.

**6. Does this apply to all current Asuris members?**

Until the law officially takes effect, this change only applies to those dependents currently covered under their parents' individual or fully-insured group policies. Large, self-insured businesses will continue to determine their own eligibility requirements until the law takes effect.

Before 2014, grandfathered group plans (meaning a plan that was in place prior to March 23, 2010) must offer dependent coverage to age 26 only if the dependent is not eligible for other group coverage. Any new plan would have to provide coverage regardless of the dependent's eligibility for other coverage.

**7. What about new groups that enroll in an Asuris plan between June 1 and prior to the law taking effect?**

All dependents initially enrolled on a new group Plan between June 1 and when the new law takes effect will be subject to the policy's eligibility guidelines. Dependents that would lose coverage due to marriage or age between the new Plan's effective date and when the law takes effect will not be dropped from coverage.

**8. Will dependents that have been extended coverage be subject to underwriting?**

No, not if they choose to extend current coverage. However, if they apply for an individual policy or insurance through their employer, they will be subject to normal underwriting rules.

**9. What about dependents that are eligible under the federal law but do not currently have coverage?**

Those dependents will be eligible for coverage under their parents' policies, when those policies renew after the law takes effect September 23, 2010.

**10. Will Asuris file for rate increases as a result of this change? Will my premiums change as a result of keeping my dependent on my policy?**

Rates are based on claims experience and rising health care costs. Each year, Asuris reviews its product offerings and the cost of providing those products to ensure they reflect the current health care market. Any future rate changes would be a reflection of the number of increased claims and overall health care costs which may include mandated state and federal health policy benefits.

**11. I'm an Asuris member. What steps do I need to take to keep qualified dependents on my policy? Is the change automatic?**

Yes, the change is automatic. Asuris will send you more information on this issue. As always, feel free to contact our Customer Service division or visit [myAsuris.com](http://myAsuris.com) with additional questions.

**12. What if my child was previously removed from my Asuris policy due to current age limits, but qualifies for the extension – can I put them back on my policy?**

If your child was previously removed from your coverage prior to May due to his/her age you will need to wait to add him/her back to your policy when the new law officially takes effect.

**13. What if my dependent(s) that are currently covered by my policy “age out” prior to June 1?**

If you have recently received correspondence from us that indicated your dependent is no longer eligible for coverage after May 31, 2010, due to his/her age, please let us know if you wish to do the following:

- If your dependent has already been setup on his/her own Asuris Individual policy, and if you wish to add him/her back to your policy;
- If your dependent child has already been terminated from your family policy and you wish to add him/her back to your policy; or
- If you no longer wish to keep your dependent child on your benefit plan.

**14. Will there be a special open enrollment period for dependents that are currently under the age of 26?**

Yes, 30-days before the annual renewal date of each policy.

**15. Will these coverage changes also be extended for Dental products?**

Dental-only plans will not be extended the dependent age extension at this time because dental-only plans are not subject to this federal reform.

**16. What if my dependent that has already opted off of my policy was accepted for COBRA coverage prior to May?**

Dependents that enrolled under COBRA prior to May are no longer eligible for coverage under their parents' plan.