

# Young Adult Coverage under the Affordable Care Act (Federal Health Care Reform)

## SUMMARY OF FEDERAL PROVISIONS

- The Affordable Care Act (also known as “Health Care Reform” or “ACA”) expands coverage rights for young adults to continue as dependents on a parent’s health plan until they reach the age of 26.
- This requirement applies to all health plans and issuers that offer coverage for dependent children and is effective for plan years beginning on or after September 23, 2010.
- All affected health plans and issuers are required to offer a special 30-day enrollment opportunity for eligible young adults to be added to coverage as well as to provide written notice of this enrollment period to plan participants no later than the first day of the plan year when the requirement takes effect.
- Benefits provided for qualified young adults under this provision must be at the same levels and same pricing as that offered for other dependent children who remained qualified for the plan based on prior definitions of dependent status.

## UT SYSTEM SPECIFIC INFORMATION

- Federal law requires implementation of this provision for UT SELECT no later than September 1, 2011.
- The UT System Office of Employee Benefits (OEB) is aware of the request made by the Secretary of Health and Human Services to offer this extended coverage for young adults as soon as possible and that many large private insurers have agreed to early implementation for their fully insured plans, including Blue Cross and Blue Shield of Texas (BCBSTX). **Early implementation by BCBSTX does not impact the September 1, 2011 effective date for UT SELECT due to the self-funded nature of the UT SELECT plan and its specific authorization under state law.**
- Currently, Texas law (Insurance Code – Title 8 – Subtitle H – Chapter 1601) specifies that dependent children lose eligibility for coverage at age 25. Therefore, OEB has no authority to increase the coverage age for young adults covered under UT SELECT *prior to the federally required effective date of September 1, 2011.*
- Expansion of dependent coverage for other UT Benefits plans, such as dental, vision, and life, is not part of the federal reform requirements and currently is not authorized by Chapter 1601.
- The families of UT employees and retirees with young adult dependents nearing age 25 may benefit from the availability of expanded coverage under UT SELECT. OEB will continue to monitor state and federal guidance related to this provision and will implement the change as soon as possible in compliance with all applicable state and federal regulations.
- For young adults who turn 25 prior to the effective date of this new provision, COBRA enrollment allows for continued coverage under UT SELECT for up to 36 months. Even if not needed for a full 36 months, COBRA may be helpful until alternative coverage is found or until the new provision takes effect, allowing young adults still under 26 to reenroll in UT SELECT under a parent’s coverage.
- For young adults who previously lost eligibility due to age or marital status and who are still under the age of 26 when the provision goes into effect for UT SELECT, no Evidence of Insurability will be required to reenroll as a dependent under a parent’s coverage.

## **FACT SHEET FROM HEALTH & HUMAN SERVICES**

[http://www.hhs.gov/ociio/regulations/adult\\_child\\_fact\\_sheet.html](http://www.hhs.gov/ociio/regulations/adult_child_fact_sheet.html)