

### **Continuation of over-age dependents**

On January 1, 2009, an amendment to the Under 30 Dependents Law (Chapter 375) became effective. Under this new law, dependents 30 years of age or younger who would otherwise lose coverage due to an age limit under their parent's group health plan (age-out) will be permitted to elect continued coverage if they meet certain eligibility requirements. Like Chapter 375, the new law provides an over-age dependent with another option in addition to COBRA or New Jersey Group Continuation (NJGC), which allows dependents to continue to be covered under a group health benefits plan for a period of time when certain events occur that make a dependent ineligible for group coverage.

### **Eligibility requirements**

An over-age dependent is defined as the child of a subscriber by blood or law who meets all of the following requirements:

- Is 30 years of age or younger;
- Is unmarried and is not a domestic partner or in a civil union;
- Has no dependents of his/her own;
- Is either a resident of New Jersey or is enrolled as a full-time student at an accredited public or private institution of higher education;
- Is not covered under any other group or individual health benefits plan, group health plan, church plan, health benefits plan and is not covered under Medicare;
- Is the child of a parent who is actively covered as an employee under a group health plan that is a fully-insured plan issued in New Jersey, and is enrolled in a unit of coverage that covers dependents (unless all children have already aged-out);
- Provides evidence of prior, creditable coverage or receipt of benefits from another individual health benefits plan, group health plan, church plan, health benefits plan or Medicare.

### **Electing and obtaining coverage**

Eligible over-age dependents who wish to enroll must make a positive election in writing to continue coverage under the primary insured's (subscriber's) health plan by completing an enrollment form (see *Enrolling* below).

Aging-out and other qualifying events are no longer conditions of eligibility. The DU31 mandates continuous open enrollment. An over-age dependent may establish and re-establish eligibility and make a DU31 election multiple times before his or her 31<sup>st</sup> birthday. However, pre-existing condition limitations may apply as set forth in the group health benefits plan.

### **Enrolling**

To enroll, your over-age dependent must complete the *Enrollment/Change Request Form (#6859)* available online, verify eligibility and submit the completed form to Horizon Blue Cross Blue Shield of New Jersey.

### **The cost for continuation**

Currently, the premium charge for over-age dependent coverage is calculated at 60.8 percent of the single rate of the plan in which you are enrolled. This includes a two percent administrative fee. This charge will apply to each over-age dependent enrollee.

*Note: The 60.8 percent premium factor may change in the future, subject to Department of Banking and Insurance (DOBI) approval.*

**Premium billing**

Horizon BCBSNJ will bill over-age dependents directly and the over-age dependents will send the premium payment directly to us. Over-age dependents are required to enter an address on the *Enrollment/Change Request Form* even when it is the same as the primary insured's address.

*Note: You must continue to receive coverage as a covered employee under the same plan as the dependent. Coverage for the dependent will be issued as stand-alone coverage. All cost-sharing requirements and limitations will apply and will not be combined with your policy. Consequently, covered expenses incurred by the dependent will not contribute to family deductibles and maximum out-of-pocket (MOOP) expenses, nor will family-incurred expenses contribute to the dependent's deductibles or MOOP expenses.*

**Important information**

If your over-age dependent is not eligible for dependent to age 31 continuation election when he/she first ages-out (for example, he/she is living outside New Jersey and is not a full-time student), he/she may be eligible to continue coverage under COBRA or New Jersey Group Continuation (NJGC).

If you have questions or need an *Enrollment/Change Request Form* (#6859), please contact your group administrator. You can also find additional information on the New Jersey DOBI Web site at [www.state.nj.us/dobi/DependentsUnder30.htm](http://www.state.nj.us/dobi/DependentsUnder30.htm).

**Comparing COBRA/NJGC to Dependent to Age 31 Continuation Election**

	<b>COBRA/NJGC</b>	<b>Dependent to Age 31 Continuation Election</b>
Initial event giving rise to the continuation right.	The over-age dependent ages-out.	None.
Eligibility requirements.	None specific to the over-age dependent.	The over-age dependent's parent must be covered under a group health benefits plan issued in New Jersey that permits coverage of dependents. The over-age dependent must not qualify as an eligible dependent child under the policy in which he/she seeks to enroll (or must be able to age-out). The over-age dependent must be unmarried, not in a civil union or domestic partnership; childless; live in New Jersey or be a full-time student if living elsewhere and not have other coverage when coverage under the DU31 election becomes effective.
Duration of coverage, generally.	For 36 months.	Up to age 31, as long as the over-age dependent continues to meet the eligibility requirements coverage terminates at 12 a.m. on the over-age dependent's 31 <sup>st</sup> birthday).
When election can be made.	Upon aging-out.	Continuously until age 31, upon proof of eligibility.

	<b>COBRA/NJGC</b>	<b>Dependent to Age 31 Continuation Election</b>
Reasons for losing coverage.	<ul style="list-style-type: none"> <li>▪ Premiums are not paid.</li> <li>▪ Employer discontinues the group plan and does not replace it.</li> <li>▪ The 36-month period ends.</li> <li>▪ Before the 36-month period ends, if the over-age dependent becomes entitled to group coverage that has no pre-existing condition limitation or similar exclusion.</li> <li>▪ Before the 36-month period ends, if the over-age dependent becomes entitled to Medicare.</li> <li>▪ Moving outside the health plan's service area.</li> </ul>	<p>Coverage will end at the first of the following:</p> <ol style="list-style-type: none"> <li>1. The date the over-age dependent no longer qualifies as a "dependent" because he/she: <ul style="list-style-type: none"> <li>• Turns age 31 (coverage terminates at 12 a.m. on the 31<sup>st</sup> birthday);</li> <li>• Marries or enters a civil union or domestic partnership;</li> <li>• Has a dependent of his/her own;</li> <li>• Relocates outside of New Jersey and does not enroll as a full-time student at an accredited public or private institution of higher education;</li> <li>• Becomes covered under any other individual health benefits plan, group health plan, church plan or health benefits plan or is entitled to benefits (covered) under Medicare.</li> </ul> </li> <li>2. Timely payment of premiums is not made (the standard 30-day grace period for late payment applies); or</li> <li>3. The date the subscriber (the dependent's parent): <ul style="list-style-type: none"> <li>• Is no longer covered as an employee, which includes a retired employee or an employee covered under continuation coverage; or</li> <li>• Discontinues dependent coverage when one or more children have not already aged-out.</li> </ul> </li> <li>4. The date on which the employer discontinues dependent coverage or discontinues coverage under the group health plan and does not replace it with another fully-insured group health benefits plan issued in New Jersey.</li> </ol>
Cost.	102% of a single person rate for the group.	<p>Currently, the premium charge for over-age dependent coverage will be calculated at 60.8% of the single rate of the plan in which the subscriber (parent) is enrolled. This includes a 2% administrative fee. This charge will apply to each over-age dependent enrollee.</p> <p><i>Note: The 60.8% premium factor may change in the future, subject to DOBI approval.</i></p>
Other election opportunity?	No. If the over-age dependent does not elect COBRA/NJGC upon aging-out, the election right expires.	Yes. The election opportunity is continuous; the over-age dependent may establish eligibility multiple times before his/her 31 <sup>st</sup> birthday.