



# Connecticut Insurance Department

## Coverage of Dependents to Age 26

Connecticut was in the forefront of providing access to health insurance for young adults. Beginning January 1, 2009, Connecticut's Public Act 08-147 took effect, allowing parents to cover certain dependents up to age 26, under a parent's individual or group health insurance plan.

Federal legislation under the Affordable Care Act now expands this access for dependent children under age 26 to all individual and group health plans regardless of where the plan or policy is issued, and whether the plan is insured or self-insured. This change is effective with the next plan renewal on or after September 23, 2010.

The Connecticut Insurance Department is providing the following questions and answers containing the Department's understanding of the new Federal law and how it interacts with the current Connecticut law on dependents.

The Connecticut Insurance Department has posted information concerning the new rules for covering dependent children up to age 26 under the federal law, the Affordable Care Act, as well as prior guidance under Connecticut law. To access this information, click on the Health Care Reform button on the Insurance Department website at [www.ct.gov/cid](http://www.ct.gov/cid).

These Questions and Answers are intended to provide high level information on common questions. Consumers are encouraged to review the posted materials, and also to call Consumer Affairs or e-mail Consumer Affairs with questions.

### -Frequently Asked Questions-

- 1. Question: I am covered under my employer's self-insured health benefit plan and it does not presently allow dependents to stay on the plan until age 26. How does the new law affect me?**

Answer: Connecticut law does not apply to your plan, because self-insured plans are not subject to state law. However, under the new federal law, the Affordable Care Act, your plan will be required to offer coverage to dependents under age 26 as eligible dependents under your plan on the next plan renewal on or after September 23, 2010.

- 2. Question: I am covered under an individual or group health insurance policy issued in another state. Am I subject to Connecticut's law?**

Answer: No, your policy provisions concerning dependent coverage are governed by the state law of the state where your policy is issued. On the plan renewal date on or after September 23, 2010, your plan will be required under the federal Affordable Care Act law to offer coverage to dependents under age 26 as eligible dependents under your plan.

**3. Question: I am covered under an individual or group health insurance policy issued in Connecticut. Am I subject to the federal rules or the state rules?**

Answer: You are covered under the Connecticut rules until your individual or group policy renews on or after September 23, 2010. At that time the federal rules primarily apply. The federal rules are generally more liberal as they permit a married dependent to be covered under a parent's plan and prohibit any requirements of state residency or student status. Please see the federal information posted on our website's health care reform page that contains more specific information on the federal rules.

**4. Question: Once my individual policy or my employer's group policy becomes subject to the new federal rules as described in (3) above, is Connecticut law pre-empted?**

Answer: Yes, with two exceptions. The federal rules are generally more favorable to the consumer. The Connecticut rules concerning residency, unmarried and student status will no longer apply. Only two Connecticut rules will remain in place: 1) the dependent must be covered (not just eligible) under a group health plan through the dependent's own employment in order to be ineligible as a dependent under a parent's plan; 2) under Connecticut Public Act 11-58 dependent coverage may be continued until the next group or individual policy anniversary date following the date the dependent turns age 26. For self-insured plans not subject to Connecticut law, federal rules govern and individual plans and non-grandfathered group plans will administer dependent ineligibility based on a dependent's enrollment in his or her own employer plan. For grandfathered group plans, the federal law bases dependent ineligibility on a more restrictive definition of merely the availability for health insurance through the dependent's own employment. This grandfathered exception expires in 2014 and then all plans covered by Connecticut and Federal law will permit coverage of dependents under age 26 unless enrolled in the dependent's own employer plan.

**5. Question: How does grandfathering work?**

Answer: Grandfathering refers to individual and group health plans in existence when the federal law became effective on March 23, 2010. Grandfathering plans are not subject to some provisions of the federal law's requirements or may not be required to follow the provisions of the federal law at the same time as other plans that are not grandfathered. For this reason, the federal government limits the changes that a plan may make and still retain its grandfathered status.

The grandfathering rules are complicated, but protections under the Affordable Care Act require that all grandfathered plans must disclose their grandfathered status when distributing plan materials.

As noted previously, on January 1, 2014 the special provision for grandfathered plans will expire and all plans, including Connecticut based plans, will then follow the same rule that dependents can enroll under the parent's plan unless covered (not just eligible) under a plan through the dependent's employment.