

CLIENT ALERT

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Reminder to our New Jersey based clients regarding the Chapter 375

ENROLLMENT

Special Phase-in Period: Age-Out Prior to May 12, 2006.

If an adult child meets the eligibility requirements for Chapter 375, AND aged-out prior to May 12, 2006, the adult child may enroll any time from May 12, 2006 through May 11, 2007. After that, an adult child may enroll either during an open enrollment period, or within 30 days after becoming eligible for reasons other than age.

Special Phase-in Period: Age-Out After May 12, 2006.

If a young adult loses coverage on or after May 12, 2006, a carrier is required to offer a Chapter 375 election to continue coverage to that young adult at the annual renewal date of the group plan under which the young adult's parent is covered.

General Requirements

Once a policy renews (and all policies will have renewed on or before May 12, 2007), adult children who meet the Chapter 375 eligibility standards may make Chapter 375 elections as follows:

- **Within 30 days PRIOR to the date a dependent is scheduled to age-out of the policy;**
- **Within 30 days AFTER an adult child meets the Chapter 375 eligibility standards for reasons other than age (for example, an adult child who had been working in California decides to return to live in New Jersey); OR**
- **During the group's annual open enrollment period for groups not considered a Small Employer in New Jersey.**
- **Annually during the 30-day period following the anniversary of the adult child's loss of coverage if the adult child is seeking coverage under a Small Employer Health Benefits Plan.**

ELIGIBILITY

An adult child is permitted to make a Chapter 375 election only if several conditions are met.

- A young adult **MUST**:
 - Have already aged-out of a parent's group health benefits plan, or be about to age-out of a parent's group health benefits plan issued in New Jersey., Be younger than 30 years old; Not have any children of his or her own; Be a resident of New Jersey OR be a full-time student at an accredited public or private institution of higher education (regardless of location); Not be covered under an individual health benefits plan, a group health plan, or church plan (note: a young adult can be covered immediately prior to the Chapter 375 election, so it is not necessary to have a break in coverage, only that the young adult not be covered under two policies);
 - Not be entitled to coverage under Medicare.
- The adult child's parent **MUST** be covered under a group health benefits plan issued in New Jersey.
- The group health benefits plan **MUST** cover dependents.

An adult child who continues coverage as a Chapter 375 dependent will lose coverage if:

- The adult child marries
- The adult child becomes a parent;
- The adult child is no longer a full-time student and is not residing in New Jersey;
- The adult child becomes covered under an individual or group health benefits plan, group health plan or church plan;
- The adult child turns 30 years old;
- Required premiums are not paid;
- The adult child's parent is no longer covered under the group health benefits plan; OR
- The group health benefits plan no longer covers dependents.

If a young adult loses coverage obtained through a Chapter 375 election, but later meets the eligibility requirements again, the young adult may make another Chapter 375 election, up until reaching age 30.