

# CLIENT ALERT

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## **IMPORTANT INFORMATION REGARDING CHANGES TO DEPENDENTS TO AGE 30 LEGISLATION EFFECTIVE JANUARY 5, 2009.....**

To increase the options for young adults to obtain or maintain health coverage and to have better access to health care services, the New Jersey Legislature enacted P.L. 2005, c. 375, often referred to as Dependents to Age 30. This legislation was effective May 12, 2006.

Effective January 5, 2009, the law was revised, making several major changes to the law which will now cover young adults to their 31<sup>st</sup> birthday if they qualify. The new law, Chapter 38 is referred to as the Dependent Under 31 (DU31) law or the DU31 election.

**This client Alert will briefly touch on the new law as well as the differences between the Dependents to Age 30 Law and Dependents Under 31 Law**

### **The DU31 Law Requires That:**

- Ø the group coverage must meet certain requirements;
- Ø the young adult's parent must meet certain requirements; and
- Ø the young adult must meet certain requirements in order for a young adult to be eligible for a DU31 election option.

**The Group Coverage** - Before the young adult can make a DU31 election, the coverage for the employer group in which the young adult wishes to enroll:

- must be through a group health benefits plan issued in New Jersey (or the State Health Benefits Plan); and
- must allow for the enrollment of dependents.
- Self Insured Plans and those issued in other states do not qualify

## **The Parent**

If the parent's employer offers coverage subject to DU31, then the young adult's parent:

- must be covered under the employer's group health benefits plan; and
- must provide coverage for all family members who meet the definition of a dependent under the group health benefits plan, or must have waived coverage for an eligible dependent because the dependent is covered under another group health plan or government-sponsored plan

## **The Young Adult**

If both the employer's plan and the young adult's parent meet the DU31 requirements, the young adult may enroll if he or she:

- is younger than 31 years old, but older than the limiting age for dependent children stated in the group health benefits plan in which he or she wants to enroll;
- is a resident of New Jersey, or, if not residing in New Jersey, is a full-time student at an accredited public or private institution of higher education;
- has evidence of creditable coverage or receipt of benefits under a group health plan, a church plan, an individual health benefits plan or receipt of benefits as a Medicare recipient;
- is not covered under another group health plan, church plan, individual health benefits plan and is not entitled to Medicare as of the date that coverage under the parent's group health benefits plan would begin (note: a young adult can have other coverage upon the date the DU31 election is made, but not upon the date the DU31 coverage becomes effective);
- does not have any children; and
- does not have a spouse, civil union partner or domestic partner.

## **Major Differences between Dependents to Age 30 and DU31:**

1. Coverage will now end on the enrollee's 31<sup>st</sup> birthday as opposed to the 30<sup>th</sup> birthday.
2. Under Dep to age 30, if a child aged out of a plan that was not subject to Dep to age 30, the child was not eligible for coverage.
  - a. DU31 removes the requirement that a young adult have aged out of a group health plan that is subject to DU31
  - b. All a young adult needs to do is supply provide proof of coverage. (Creditable Coverage form, Receipt of Benefits)
3. Under Dep to age 30 – there were specific times when a young adult could make an election, either at initial eligibility or open enrollment as defined by the law. DU31 allows a young adult to opt into the plan at any time as long as all the eligibility requirements are met.

Additional Information may be found on the State of New Jersey's website for Banking and Insurance:

[www.state.nj.us/dobi/division\\_consumers/du31.html](http://www.state.nj.us/dobi/division_consumers/du31.html)

[www.state.nj.us/dobi/bulletins/blt09\\_01.pdf](http://www.state.nj.us/dobi/bulletins/blt09_01.pdf)

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