

FEDERAL HEALTH CARE REFORM COMPLIANCE
Instructions for
Notices on Coverage of Child to Age 26

Our clients are required to provide a notice to each employee telling them about the new rule allowing coverage of any child up to age 26. (This is not the only notice required by federal health reform. Enrollment materials must contain certain language, and employers should send a “no lifetime limit” notice to all employees with this notice below.) A plan with coverage for children must provide this notice. A plan without coverage for children should not send it.

Following is (1) a sample notice for most clients to use for this purpose, and (2) a sample notice for clients to use for this purpose if they sponsor a *grandfathered* plan. (Remove references to grandfathered status at top of each notice prior to sending to clients.)

The notice should be from the Benefits or Human Resources Director at the client’s office; the notice is an employer obligation so it needs to be from the client. Similarly, the last paragraph should indicate the name and contact information for the person who can provide the enrollment form (and more information). He or she usually will be the same person sending the notice unless the insurance carrier or administrator has agreed to provide the form and respond to requests for information.

The first paragraph should state the formal name of the plan in the blank provided.

The new health reform rule on covering children to age 26 is effective the first plan year on or after October 1, 2010. For an October 1 plan year, the law is effective October 1, 2010. For a January 1 plan year, the law is effective January 1, 2011. For a July 1 plan year, the law is effective July 1, 2011, and so on. The effective date for this specific plan should be inserted in the second paragraph of the notice.

We recommend sending the attached notice to the home of each employee who is eligible for coverage under the plan. Counsel clients to keep a record indicating the notice was sent to the last know address of all of these persons. The notice also should be sent to each person on COBRA and each person in a 60-day COBRA election period, as well as to others covered by the plan (retirees, severed employees, QMCSO children, etc.).

The notice should be sent at least 30 days prior to the effective date of this health reform rule. The notice date at the top left blank should reflect a date at least 30 days prior to the date in the second paragraph of the notice. (While it is technically permissible to send the notice on the date the rule becomes effective, a delay will create administrative challenges including retroactive coverage.)

**READ / IMPORTANT NOTICE – HEALTH PLAN SPECIAL ENROLLMENT
[Non-Grandfathered Plan]**

To: Employees and Children

From: _____

Re: Group Health Plan Special Enrollment & Coverage of Children to Age 26

Date: _____, 201_

Under federal health reform, an employee's child now can be covered by the _____ (the Plan) until he/she reaches age 26. Children whose coverage ended, or who were denied coverage (or were not eligible for coverage) because the availability of dependent coverage ended before attainment of age 26 are eligible to enroll in the Plan. We are providing this information to all employees to satisfy a federal notice requirement. Under federal law, notice to you operates as notice for your child.

The Plan is offering a 30-day enrollment period, starting with the above date of this written notice to allow enrollment by your child under age 26. Previous standards for coverage of children are eliminated. A child need not be financially dependent on you and does not need to reside with you. The child may have his or her own job, and the child also may be married. You and child must be eligible for coverage under this Plan as of _____, 201_. You and any child enrolling in accordance with these rules will receive coverage effective on that date. If you and/or a child enroll under these rules, you will be a special enrollee. You can select among all benefit packages available to similarly situated individuals. An employee may switch plan options.

You have 30 days to request enrollment, measured from the date of this notice. If you do not enroll during this 30-day period, you and the child must wait until the next annual enrollment period (unless a life event allows you to enroll under general plan provisions).

Except as altered by this new law and as explained in this notice, the usual Plan provisions still apply regarding eligibility, enrollment, benefits, and other terms and conditions of coverage. For example, for your child to enroll in the Plan, you must enroll as well. You will be allowed to do so, but cannot enroll only yourself without a child -- unless it is the annual enrollment period. Other persons (such as younger children) will not have the right to enroll -- unless it is the Plan's annual enrollment period. (If the 30-day period is also an open enrollment period, you may choose to enroll just yourself and/or other eligible persons.)

Your premiums may increase as a result of enrolling a child, for example, if you previously had employee-only coverage. You will not be charged more for a child based on his or her age. Federal tax changes allow tax-favored treatment of those costs so you can pay for this coverage pre-tax.

Please review this notice carefully, and complete the enrollment form completely if you believe enrollment is allowed. (The form is available from _____ at _____.) The information you provide is subject to verification, of course.

**READ / IMPORTANT NOTICE – HEALTH PLAN SPECIAL ENROLLMENT
[Grandfathered Plan]**

To: Employees and Children

From: _____

Re: Group Health Plan Special Enrollment & Coverage of Children to Age 26

Date: _____, 201_

Under federal health reform, an employee's child now can be covered by the _____ (the Plan) until he/she reaches age 26. Children whose coverage ended, or who were denied coverage (or were not eligible for coverage) because the availability of dependent coverage ended before attainment of age 26 are eligible to enroll in the Plan. We are providing this information to all employees to satisfy a federal notice requirement. Under federal law, notice to you operates as notice for your child.

The Plan is offering a 30-day enrollment period, starting with the above date of this written notice to allow enrollment by your child under age 26. Previous standards for coverage of children have been eliminated. A child need not be financially dependent on you and does not need to reside with you. The child may have his or her own job, and the child also may be married. However, our plan is "grandfathered," and so your child will not be eligible for Plan coverage if he/she is eligible to enroll in another employer-sponsored health plan, other than a group health plan of a parent. You and child must be eligible for coverage under this Plan as of _____, 201_. You and any child enrolling in accordance with these rules will receive coverage effective on that date. If you and/or a child enroll under these rules, you will be a special enrollee. You can select among all benefit packages available to similarly situated individuals. An employee may switch plan options.

You have 30 days to request enrollment, measured from the date of this notice. If you do not enroll during this 30-day period, you and the child must wait until the next annual enrollment period (unless a life event allows you to enroll under general plan provisions).

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