

Dependent Age Expansion Law

Overview

HB 5285, as passed by the Illinois State Legislature, was amendatorily vetoed by Governor Blagojevich. The governor added language to the underlying bill that requires coverage of dependents up to the limiting age of 26 and for military veterans up to the limiting age of 30 for health insurance purposes. The new law will affect insured business, including HMO and individual plans, as well as self-insured counties, municipalities and schools.

HB 5285 as originally introduced would require continuing health insurance coverage for college students who need to drop down to part-time or no-time status due to catastrophic illness or injury (which is now law on the federal level as “Michelle’s Law” – H.R. 2851). This language remains in the new state law.

The Legislature approved the legislation with the amendatory veto language and as such, HB 5285 became law as PA 95-958 with an effective date of June 1, 2009.

What groups are affected by this new law?

The law will affect *all* insured business, including HMO and individual business, as well as self-insure counties, municipalities and public school districts.

- State Employee Insurance Act (5 ILCS 375)
- Counties Code – for self-insured counties including home rule counties (55 ILCS 5/5)
- Illinois Municipal Code – for self-insured municipalities including home rule municipalities (65 ILCS 5/10)
- Illinois School Code (105 ILCS 5/10)
- Illinois Insurance Code – applies to group / individual policies of health insurance or managed care plans (215 ILCS 5)
- Health Maintenance Organizations Act (215 ILCS 125)

Must a dependent be a tax dependent as defined in the IRS Code?

No. An eligible dependent need not be a “tax” dependent as defined in the IRS Code.

Must the eligible dependent be a student?

No. Under this new law, enrollment in any educational institution is not an eligibility condition.

Does the dependent need to reside with the insured?

No. The eligible dependent need not reside with the insured.

Does the dependent need to be a resident of Illinois?

No. The eligible dependent need not be an Illinois resident.

Can the eligible dependent be married?

No. An eligible dependent may not be married.

What is the effective date of the new law?

This law is effective for new groups and groups that renew on or after the effective of June 1, 2009.

Must military veterans reside in Illinois to be eligible for coverage up to age 30?

Who is responsible for verifying military status?

Under the new law, military veterans up to the limiting age of 30 may be eligible for coverage as a dependent if they meet *all* of the following eligibility criteria:

- Unmarried
- An Illinois resident
- Served as a member of the active or reserve components of any of the branches of the Armed Forces of the United States *and*
- Submits to the insurer a form approved by the Illinois Department of Veterans Affairs stating the date on which the dependent was released from service

Are there continuous coverage requirements for eligible dependents?

The law states that a dependent is eligible beginning on the group or individual policy's annual renewal date following the law's effective date, if the dependent, as of the date the insured elects dependent coverage, has:

- A period of credible coverage 90 days or more *and*
- Has not been without credible coverage for more than 63 days

If the continuous coverage requirements stated in the new law are *not* met by the dependent, can the dependent still be eligible for coverage?

Yes. If the continuous coverage requirements are not met, other eligibility requirements and eligibility standards can be applied, but the dependent cannot be declined solely based on age.

For example, a dependent without creditable and/or continuous coverage may incur a pre-existing exclusion period.

Does the new law apply to members and their eligible dependents who reside in another state?

The law applies to those contracts that are issued in Illinois for insured business (and self-insured municipalities, schools and counties).

<http://www.idfpr.com/DOI/pressRelease/pr08/HB5285IndustryDependentCoverageFAQ.pdf>