

New Dependent Child Eligibility Provision – Wisconsin State Law

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Background

The new 2009-2011 Wisconsin State budget includes a provision affecting coverage of dependent children under fully insured health, dental, and vision group plans. Starting with groups that renew their plans on January 1, 2010, insurers are required to allow coverage of unmarried dependent children up to age 27 regardless of student status. This provision has a 'rolling' implementation date, with the new law taking effect for health, dental, or vision plans as they renew starting January 1.

Does this Apply Your Plan(s)?

Yes, if your health, dental, or vision plan is fully insured. Under a fully insured plan you pay premium to the insurance carrier and the insurance carrier pays claims and assumes the financial risk. Under a self insured plan the employer is responsible for funding the claims and assumes the financial risk of the plan.

What if You Have Both Self Insured and Fully Insured Plans?

The new dependent coverage provision applies to fully insured plans only. If, as an example, you have a self insured health plan and a fully insured dental plan, dependents under the dental plan can now be covered up to age 27. Dependent eligibility rules under the self insured health plan would remain unchanged.

How is the New Provision Different than the Current Rules?

Many fully insured plans allow a dependent child to remain covered under their parent's plan until age 19 if not a full-time student, or up to age 25 if a full time student. The new Wisconsin provision requires insurers to let dependent children stay on a fully insured group health, vision or dental plan until age 27 regardless of their full time student status.

Am I Required To Keep my Dependent on the Plan Until Age 27?

No. You do not have to keep a dependent child enrolled under a group health, dental, or vision plan unless you wish to keep them covered or if a court order requires coverage.

Are There Any Restrictions For Coverage of Dependents Up to Age 27?

Yes; your dependent child must meet the following conditions:

1. Be less than 27 years of age; and
2. Not be married; and
3. Not be eligible for coverage under a group health benefit plan that is offered by the child's employer for which the amount of the child's premium contribution is less than the actual premium amount for his or her coverage as a dependent under the parent's plan. (Translation: if the child is working and has a health plan available from their employer, their employee contribution under that plan can't be less than the premium charge for staying covered as a dependent under the plan)

How Can I Enroll my Dependent(s)?

If you have an unmarried dependent under age 27 that is not covered currently, you may enroll them in your fully insured health, dental, or vision plan as of the plan's renewal date in 2010. After this initial entry date, the plan's respective open enrollment or late entrant provisions will apply.

Further Eligibility Option for Some Armed Services Members

A dependent child older than age 27 may also be eligible to stay on a parent's plan if they were under 27 years of age when called to federal active duty in the National Guard or in a reserve component of the U.S. armed forces while attending, on a full-time basis, an institution of higher education.

Additional Information

More information on the new Wisconsin dependent child coverage provision can be found at the Office of the Commission of Insurance (OCI)'s website: <http://oci.wi.gov/bulletin/0709act28.htm> .

Note: The information provided in this handout is not intended to assert a guarantee of employee or dependent eligibility rights under your group benefit programs. Always consult the plan administrator, insurance carrier, and/or the respective certificate of coverage for advisement on eligibility or benefits.