

MEMORANDUM

TO: VEHI Members

FROM: Joe Zimmerman, VSBIT/VEHI
Mark Hage, VT-NEA/VEHI

DATE: May 11, 2010

RE: **Federal Health Care Reform Changes and Dependent Coverage until age 26**

As you may know, on March 23, 2010, President Obama signed into law a federal health care reform package known as the Patient Protection and Affordable Care Act (PPACA), which created new requirements for all health insurance plans. There are a small number of changes that go into effect beginning on VEHI's next renewal on July 1, 2011. These immediate reforms include the following provisions: 1) a prohibition on lifetime limits on health insurance benefits; 2) a restriction in the annual dollar limits on "essential health benefits" as defined by the Department of Health and Human Services (HHS); and 3) a requirement that allows dependents to remain on a their parent's health insurance coverage until age 26. The federal government is in the process of creating detailed rules and regulations to guide plans in the implementation of these new requirements.

The most immediate and significant impact on VEHI's members is the provision that will allow young adults to remain on a parent's health insurance policy until their 26th birthday. **Although we are not required to offer this benefit until July of 2011, we have decided to implement this early and have worked with Blue Cross and Blue Shield of Vermont (BCBSVT) to make this possible.** What this means is that currently covered dependents aged 19 to 25, can remain on your BCBSVT health plan as dependents, regardless of whether they continue with school or live with you, if they are not eligible for other group health insurance coverage. You should know that federal Health and Human Services Secretary Kathleen Sebelius has asked all plans to implement this early, as BCBSVT and VEHI are doing.

If you have a graduating senior **who is currently covered by your BCBSVT health plan**, he or she will be able to remain on this coverage until they turn 26. In other words, if your high school or college senior is graduating in May or June, and under the age of 26, he or she can remain on your plan **without a break in coverage** from the date of graduation until age 26. (By the way, the dependent

can be married, but the coverage is **not** extended to the dependent's spouse or the child of a dependent.)

If you have a dependent under the age of 26 **who is not currently on your policy**, you can add him or her as a dependent **effective October 1, 2010** if he or she is not eligible for other group coverage.

If you have any questions regarding your specific situation, please contact the BCBSVT Member Service at: **1-800-247-2583**.