

### **Continuation of Coverage for Unmarried Children 2010**

H.B. 1 passed the Ohio General Assembly in July 2009. Part of the 3,120 page bill included a number of changes applicable to health insurance coverage in the Ohio public school market. Included among them are changes to flexible spending account eligibility, state continuation coverage, income tax benefits for qualifying relatives, and the advent of the Health Care Coverage and Quality Council. At issue in the present *Research Bulletin* are the changes made to continuation coverage for dependents that participate in an employer's health insurance program and are subject to a termination date by policy, contract or agreement.

The legal changes were made specifically in O.R.C. §§ 1751.14 and 3923.24, making them applicable to both fully-insured and self-insured health insurance plans available through public school and higher education institutions.<sup>1</sup> The changes indicate that, as of July 1, 2010, any policy, contract, or agreement for health care services that is issued, delivered or renewed that provides coverage for unmarried dependent children that terminates upon attainment of a limiting age shall also provide both of the following:

- (1) Once an unmarried dependent child has attained the limiting age of the policy, contract or agreement, upon request of the subscriber, the health insuring corporation shall offer to cover the unmarried child until the child attains age 28 if all the following are true:
  - a. The child is the natural child, stepchild or adopted child of the subscriber;
  - b. The child is a resident of Ohio or a full-time student at an accredited public or private higher education institution;
  - c. The child is not employed by an employer that offers any health benefit plan under which the child is eligible for coverage;
  - d. After having attained the limiting age, the child has been continuously covered under any health benefit plan;
  - e. The child is not eligible for coverage under Medicaid or Medicare.
  
- (2) That attainment of the limiting age for dependent children shall not operate to terminate the coverage of a dependent child if the child is and continues to be both of the following:

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<sup>1</sup> Complicating the dependent eligibility expansion somewhat is O.R.C. § 9.901, the law that requires all school districts and educational service centers to offer health plans in compliance with the School Employees Health Care Board. One part of that law, O.R.C. § 9.901(H), states that "the sections in Chapter 3923 of the Revised Code regulating public employee benefit plans are not applicable to the health care plans designed pursuant to this section." The dependent eligibility expansion in Am. Sub. H.B. 1 is codified in two different places in the Ohio Revised Code, § 1751.14 (for self-insured plans) and § 3923.24 (for fully-insured plans). Thus, due to O.R.C. § 9.901(H), a public school or post-secondary institution that offers one or more fully-insured medical insurance plan(s) may argue that the law isn't applicable to their health plan.

- a. Incapable of self-sustaining employment by reason of mental retardation or physical handicap;
- b. Primarily dependent upon the subscriber for support and maintenance.

The law provides that subscribers provide proof of a dependent child's incapacity and dependence for the conditions outlined in (2a) and (2b) to the insurer within 31 days of the child's attainment of the limiting age. This requirement continues during the child's coverage through the attainment of age 28. Other provisions regarding mentally retarded or physically handicapped children apply; these and other issues are addressed in the laws noted above as well as the Ohio Department of Insurance's FAQ on health care reform provisions embedded in H.B. 1.

The legal changes outlined in this *Research Bulletin* do not require that any policy, contract or agreement offer coverage to dependent children or provide coverage for an unmarried dependent child's children as dependents, nor does it require that an employer offer health insurance coverage to the dependents of an employee. Moreover, these changes do not require an employer to pay for any part of the premium for an unmarried dependent child that has attained the limiting age for dependents, as provided in any policy, contract or agreement for health care services.

While fully-insured plans cannot charge the full single rate for this coverage, they can charge for coverage; typically this is \$150 per month. Self-insured plan rates are not under the regulatory authority of the Ohio Department of Insurance, but they should be \$150 per month or lower. Questions regarding this *Research Bulletin* should be directed to Gregg Gascon in the Collective Bargaining and Research Division at [gascong@ohea.org](mailto:gascong@ohea.org) or telephone number (614) 227-3019.

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