

# Legislative Update

## Employee Benefits



Services offered through Mesirow Insurance Services, Inc.

November 26, 2008

## Amended Illinois Dependent Age Limit for Health Care Coverage

### September Amendments

In August, 2008, the Illinois Senate passed Governor Rod Blagojevich's proposed amendment to HB5285, providing parents the right to cover dependent children under their plan for an extended period. In September, 2008, that law was further amended and its effective date changed.

**The amended new law becomes effective on June 1, 2009**, rather than on January 1, 2009, as was originally proposed and reported, and affects policies issued or renewed on or after the amended effective date.

The September amendment also removes any requirement of student status for a dependent to be considered eligible.

We also wish to clarify that, while this law does not apply to self-funded private employers, it **DOES APPLY** to self-funded counties, municipalities and schools.

In addition to the extension of the effective date and elimination of the requirements of student status, the September amendment requires the continuation of coverage for a dependent college student who takes a medical leave of absence or reduces his or her course load to part-time status because of an illness or injury.

The medical leave of absence or reduction in course load must be due to a catastrophic illness or injury which allows college students to stay on their parents' health insurance for a year or until the plan would have ended, if they take a medical leave of absence or reduce their course load to part-

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time because of an illness or injury.

### Original Provisions

The bill extends a dependent's ability to be covered under his/her parents' health plan until age 26. Active duty or veteran status dependents may remain on their parents' health plan until age 30.

Eligible dependents do not have to live at home, or even in Illinois. However, they must remain unmarried.

Employers must establish an initial enrollment period of at least 90 days, during which an insured may make a written election for the addition of coverage for an unmarried person as a dependent. Eligible dependents may also be added during annual open enrollment or on the policy renewal date following the June 1, 2009 effective date.

The earlier amendment adds to, but does not change the original language of HB5285, which allows college students to stay on their parents' health insurance for a year or until the plan would have ended, if they take a medical leave of absence or reduce their course load to part-time because of an illness or injury.

### Goal of the Legislation

Of the 1.4 million people age 19-25 in Illinois, an estimated 300,000 are

uninsured. The goal of the amended law is to get this demographic insured so they can take advantage of preventive care or get proper treatment for chronic serious conditions.

### Background

Until now, Illinois has not had an age requirement for dependent coverage. Age limitations on health plans generally have been stipulated on per policy basis by insurance carriers. Typical carrier dependent rules might include an age limit to 19 years or 25 years for full time students.

Twenty states have now enacted dependent coverage expansions.

For more information, visit:

<http://www.ilga.gov/legislation/BillStatus.asp?DocNum=5285&GAID=9&DocTypeID=HB&LegId=36542&SessionID=51&GA=95>

or contact your Mesirow Financial representative.

*This article is intended as an overview and should not be viewed as legal or tax advice. Please consult with your attorney or tax professional if you have any questions about this legislation.*