

From: Stokes, Richard L
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Subject: Dependent Coverage

Last Friday we had a quick discussion about Healthcare reform and dependent care. While I hate to admit I don't remember you specific question, here are a few things I have found: (Please note the link to a newsletter called "Young Invincibles" at the end.

As long as a dependent has access to another plan you can deny access to your plan until 2014.

7. What if an employee does not want to add their dependent (to age 26) to their plan. Are they forced to offer coverage to the dependent? What if the employee is now required to bear additional costs?

The parents are not required to by health care reform. There is no requirement on the parent to include their adult children as dependents if they do not wish to do so.

HealthPartners Dependent Summary

Some employer plans are set up as two tier coverage, meaning there is a cost for Individual and a cost for family coverage. In these cases, the employees that are paying the "family rate" may not see an immediate change in their contribution; however if many new dependents are added and claims costs increase, this will undoubtedly affect premiums the following renewal. Those who are on individual plans that add a dependent, will go from the individual premium amount to the family premium amount which is usually a substantial change in deductions.

8. Who will pay for my dependent coverage?

Short answer- the parent pays the bill via payroll deduction. The employee can then work out an arrangement with the adult dependent on premium sharing, but this is not regulated.

Under employer plans, the employee typically pays a share of the premium and the employer pays the rest. Therefore, the bill will probably still go to your parents (for you and your parents to divide how you see fit). Parents on a family plan may see their premiums go up slightly to pay for your new coverage, but costs will increase for adding a young adult the same way that they would for adding a dependent who is under 18. In employer-based coverage, that cost will be split among all employees. The added premium for a young adult on family coverage will generally be cheaper than purchasing a plan on the individual market. For example, it was recently reported that a New Jersey premium for a young adult dependent on a Blue Cross Blue Shield plan was 60.8 percent of the premium for an individual without family coverage.

Dependent Coverage FAQ's (Young Invincibles)

I hope this information is helpful. Feel free to contact me if you have questions or I can be of any further assistance.



Richard L. Stokes, IPMA-CP, PHR
Office Manager/Human Resources Consultant
Executive Director - TN Chapter IPMA-HR
The University of Tennessee
Municipal Technical Advisory Service
226 Capitol Blvd. Bldg., Suite 606
Nashville, TN 37219
615/532-6827 (office)
615/532-4963 (fax)
<http://www.mtas.tennessee.edu>

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