Dependent Health Coverage Extended to Age 30 Under Fully Insured Florida Policies

**Effective as of October 1, 2008**

**Extension of Coverage**

Fully insured health plans in Florida that provide for dependent coverage are now required to cover certain “children” until age 30. Florida has joined more than twenty other states in extending coverage to this commonly-uninsured young adult population.

As drafted, the law would generally permit a young adult to remain on a parent’s policy until age 30, even after leaving college and home, so long as the young adult meets the following conditions:

- s/he must not be married;
- s/he must either live in Florida or be a full-time or part-time student;
- s/he must not have a dependent of his or her own;
- s/he must not currently have individual or group health coverage elsewhere; and
- s/he must not have a gap in “creditable coverage” of more than 63 days.

**Impact on Young Adults Currently Between Ages 25 and 30**

Assuming that the eligibility criteria described above is satisfied, a parent will have until April 1, 2009 to reinstate coverage for their children who previously “aged out” of an employer’s group health plan, without needing to show proof of insurability.

**Non-Applicability to Self-Insured Plans**

Before taking action, it is important to distinguish between employer-sponsored fully-insured group health plans and employer-sponsored self-insured group health plans. A self-insured group health plan is one that provides benefits to participants directly from general employer assets, rather than through an insurance policy, and should not be subject to this law. This is because ERISA preempts state insurance laws, as applied to self-funded plans, even those with stop loss policies.

**Effective Date**

This age increase from 25 to 30 is part of Gov. Charlie Crist’s “Cover Florida” plan. The effective date of the change is October 1, 2008.

**Ongoing Confusion**

The Florida Office of Insurance Regulation has indicated that it will hold a public meeting to review the law, but a date has not yet been published. The lack of any official interpretation of the new law is leading to some scrambling this week within the Florida insurance industry. In fact, notwithstanding the stated effective date of October 1, 2008, some insurers in the state have indicated within the last few days that they will suspend their coverage for these 25-to-30-year-olds until an official interpretation is issued.

**Next Steps**

If you have a fully-insured plan, you have likely already been contacted by your broker or insurance company. If not, we suggest contacting him immediately to begin a dialogue as to how your Florida policies will comply with the new law. Policies will most likely need to be revised, and participants must be notified of this change as soon as possible.

Please contact the author, Beth Alcalde at (561) 671-3657, Peter Salomon at (305) 982-5567, or Rick Hurt at (407) 423-4000 if we can assist you in any way, including by keeping you apprised of further interpretive developments from the Office of Insurance Regulation.