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PPACA: Feds Post Dependent Coverage Regs

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Federal agencies are rushing young adult dependent coverage interim final rules into effect without going through the usual comment period.

[The Employee Benefits Security Administration, an arm of the U.S. Department of Labor, has posted a preliminary version of the interim final rules on its website.](#)

The Internal Revenue Service, an arm of the U.S. Treasury Department, and the Office of Consumer Information and Insurance Oversight at the U.S. Department of Health and Human Services also worked on the rules.

The agencies are set to publish the final version of the interim rules in the Federal Register Thursday.

The rules implement a provision in the new federal Affordable Care Act -- the legislative package that includes the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act -- that requires insurers to let insured parents keep children on the parents' health coverage until the children are 26.

The ACA young adult coverage provision is set to take effect Sept. 23, but most major carriers say they will implement the provision earlier. Regence, Premera BlueCross and Group Health Cooperative have already made that announcement, for an effective date of June 1st if employers want. Otherwise, it goes into effect the first renewal after September 23, 2010 (6 months after signing of the bill, as it requires.)

Federal agencies normally provide time for members of the public to comment before implementing major regulations. The agencies are implementing the young adult coverage interim rules before the comments come in because the secretary of Labor, HHS and the Treasury "have determined that it would be impracticable and contrary to the public interest to delay putting the provisions in these interim final regulations in place," officials write in a preamble to the interim rules. "Having a binding rule in effect is critical to ensuring that individuals entitled to the new protections being implemented have these protections uniformly applied."

Officials are estimating that, in 2011, the program will lead to about 1.2 million young adults having new health coverage, and that about 650,000 of those young adults will be people who were previously uninsured.

The number of uninsured young adults who gain coverage through the program in 2011 could range from 200,000 to about 1.6 million, officials estimate.

Although officials use the term “dependent” in connection with the regulation, group health plans can no longer use factors such as whether a child of an insured is a tax dependent in deciding whether to issue coverage to that child, officials write.

“Examples of factors that cannot be used for defining dependent for purposes of eligibility (or continued eligibility) include financial dependency on the participant or primary subscriber (or any other person), residency with the participant or primary subscriber (or any other person), student status, employment, eligibility for other coverage, or any combination of these,” officials write.

Implementing the young adult coverage program will require that the children who were denied coverage, or whose coverage ended, receive alerts about the new enrollment opportunity, officials write.

Federal agencies want to hear ideas about ways to minimize the burden on the notice senders and on the individuals who must fill out the notices, officials write.