



Horizon Blue Cross Blue Shield of New Jersey

Making Healthcare Work.

Brief Notes

News for Brokers and Consultants

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Applies to: Small (2-50), mid-size (51-499) and major accounts (500+) markets

New under 30 dependents law implemented

Horizon Blue Cross Blue Shield of New Jersey would like to inform you of a new law recently enacted in New Jersey. Under this law, dependents under age 30 who would otherwise lose coverage due to an age limit under their parent's group health plan (age-out) will be permitted to elect continued coverage.

An eligible dependent is:

- The child of a subscriber who is less than age 30;
- Not married;
- Has no dependents of his/her own;
- Is either a resident of New Jersey or enrolled as a full-time student at an accredited public or private institution of higher education;
- Is not covered under any other group or individual health benefits plan and is not covered under Medicare; and
- The dependent must have previously aged out of their parents group health plan.

The dependent does not have to reside with the subscriber, or be a subscriber's dependent for tax purposes, to qualify. Prior ineligibility (e.g., having previously aged out or having had other coverage) is not a reason for denying an extension of coverage.

Your clients are required to notify their employees of the opportunity for their dependents to elect coverage:

- On or before the date a dependent would otherwise reached the limiting age of their parent's group health plan.
- On or before the date a dependent continuing under the law loses dependency status (unless due to reaching age 30 or having a dependent of their own).
- For the small employer market – Before the 30-day period in each year following the year coverage terminated due to the child reaching the limiting age under the group's plan.
- For the mid-size and major accounts markets – Before each open enrollment period.

Coverage must be elected in writing:

- Within 30 days prior to reaching the dependents limiting age.
- Within 30 days after meeting the dependents definition under the law, if coverage for the dependent previously terminated.

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- For the small employer market – During a 30-day period beginning on each anniversary of the date the dependent reached the limiting age, if the dependent meets the law’s definition of dependent during that period.
- For the mid-size and major accounts markets – During the group’s open enrollment period, if the dependent meets the law’s definition of dependent during the open enrollment period.

The law applies to insured plans that are effective on or after May 12, 2006. It does not apply to your clients with Administrative Services Only (ASO) contracts (clients who self-insure their medical plans); however those clients will have the option to offer the continued coverage to their employees.

For more information, or if you have questions, please contact your Horizon BCBSNJ sales representative or senior account consultant.