

## **ILLINOIS EXTENSION OF GROUP HEALTH COVERAGE FOR DEPENDENTS**

Effective beginning June 1, 2009, all individual and group health insurance (including HMO contracts) that provide dependent coverage must permit insured parents to cover qualifying dependents up to age 26 (age 30 for dependents who are military veterans). Enrollment in college or another higher education program is not required, but the dependent must not be married. Plans may require eligible dependents to be financially dependent on their parents or have the same legal mailing address.

This extended dependent coverage will also be required for health coverage provided for state, county and municipal employees. However, the new law does not apply to self-insured group plans or insurance policies issued in states other than Illinois.

No subject policy can deny coverage to an eligible dependent due to health status, but preexisting condition limits may apply if the dependent has incurred a gap in coverage. There is no requirement that employers pay any cost associated with coverage of such dependents, and it is possible that they may be covered at no additional cost for those parents who have already elected dependent coverage.

The law applies starting with the policy renewal date on or after June 1, 2009. So, for a calendar year group health plan, the new dependent coverage rules apply as of January 1, 2010.

Recommendations: Insured plans subject to the new law should consider imposing residency and financial dependency conditions on the availability of the expanded dependent health coverage. Further, administrators of insured plans will want to determine if there will be any additional premium cost added to the cost of regular dependent group health coverage and determine how any such costs are to be allocated.

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