

New Jersey Continuation of Coverage to age 31 Member Q&A

Q: What is Chapter 375?

A: Chapter 375 is a health insurance law in New Jersey. It was enacted on January 12, 2006, and it took effect on May 12, 2006. The law requires health insurers to provide certain adult dependents the opportunity to maintain or regain dependent coverage under their parents' health insurance policies until the dependents' 31st birthdays. These adults are known as "over-age dependents." These dependents previously would have become ineligible for coverage under their parents' policies when they reached the limiting age of their plan.

Specifically, this law states that:

- a dependent whose coverage would otherwise have ended because he or she reached the dependent age limit under the parents' policy may elect to continue the dependent coverage;
- a dependent whose coverage has already ended because the dependent age limit was exceeded may elect to regain dependent coverage.

Q: Who is eligible for the coverage?

A: An individual is permitted to make a Chapter 375 election only if several conditions are met. The first eligibility requirement for the coverage is that the individual's parent(s) must be actively covered under a New Jersey-issued group health insurance contract. An eligible dependent must be the insured's child (by blood or by law) and must also meet the following criteria:

- be under age 31;
- be unmarried;
- have no dependent of his or her own;
- have proof of prior creditable coverage;
- reside in New Jersey or be enrolled as a full-time student at an accredited public or private institution of higher education;
- not be covered under another group health plan or receiving Social Security benefits.

Q: When does coverage end?

A: Coverage ends on the date that any of the following events occur for the over-age dependent:

- he or she becomes 31 years old;
- he or she marries;
- he or she acquires a dependent;
- he or she is no longer either a resident of New Jersey **or** enrolled as a full-time student at an accredited school;
- he or she becomes covered under any other group or individual health benefits plan, group health plan, church plan or health benefits plan, or if he or she becomes eligible for Medicare.

Coverage will also end if the over-age dependent fails to make a premium payment within 30 days of its due date, or when the parent loses coverage under the policy.

If an over-age dependent loses coverage under the law because of failure to meet the qualification requirements, he or she may choose to reapply for the coverage at a subsequent Open Enrollment period if he or she regains qualification as specified by the law (such as by divorcing a spouse, moving back to New Jersey, starting school, or losing coverage under another group health plan).

Note: An over-age dependent with COBRA coverage may subsequently be eligible for Chapter 375 coverage. However, the loss of qualification for Chapter 375 does not constitute a qualifying event for COBRA or New Jersey State Continuation Rights (NJSCR).

Q: What is the cost?

A: The cost of coverage for a Chapter 375 dependent will depend on the cost for a dependent as specified by the parent's group coverage. The cost of coverage for the Chapter 375 dependent will be less than the cost of coverage for a single employee under the parent's group plan.

For each eligible over-age dependent, the AmeriHealth premium rate^{*} will be calculated at 67.4 percent of the single rate for the same plan of benefits in which the parent is actively enrolled. For more information, please contact Customer Service at the telephone number on the insured parent's ID card. An over-age dependent must include a check for this amount when he or she mails in the completed HINT application. AmeriHealth will bill the over-age dependent directly.

Employers are *not* required to contribute to the cost of covering a Chapter 375 dependent, and the parent or continuing dependent is required to pay the full cost of the coverage.

Q: How is the small group Open Enrollment defined?

A: Open Enrollment is defined as a 30-day period in each year following the year that coverage terminates at the specific age as provided in the plan, beginning on the anniversary date on which the coverage terminated.

General Requirements

Once a policy is renewed, individuals who meet the Chapter 375 eligibility standards may make Chapter 375 elections in any of the following situations:

- within 30 days *prior* to the date a dependent is scheduled to "age-out" of the policy;
- within 30 days *after* an adult child meets the Chapter 375 eligibility standards for reasons other than age (for example, an adult child who had been working in California decides to return to live in New Jersey);
- either during the group's annual open enrollment period, or annually during the 30-day period following the anniversary of the adult child's loss of coverage, if the adult child is seeking coverage under a small-employer health benefits plan.

^{*}This premium rate includes the 102% factor that is noted on the HINT application.

Q: How do I enroll?

A: The parent's employer should have information and enrollment forms available. For more information or to request forms, please contact Customer Service at the number on the insured parent's ID card. Simply complete the verification of requirements form. If you are not a resident of New Jersey and you are applying as a full-time student, you will be required to provide a copy of the class schedule signed and stamped by the registrar. Sign the form and mail it to AmeriHealth along with the Temporary HINT Supplemental Enrollment Information Form. Please make sure the HINT application includes:

- the billing address of the person who is paying the monthly premium (either the parent or the over-age dependent);
- the correct date and reason for the over-age dependent's continuation of coverage.

Before coverage can begin, AmeriHealth must receive:

- a check for the first month's premium;
- the completed HINT application and the verification of requirements form.

If the employer is unable to provide assistance, please contact Customer Service by calling the number located on the insured parent's ID card.

Q: What if I am not eligible?

A: If an individual who is "aging-out" is not eligible to make a Chapter 375 continuation election, he or she could still be eligible to continue coverage under COBRA if the employer is subject to COBRA or to make an election under New Jersey continuation law if the employer group size does not meet COBRA qualification. The conditions for making the COBRA or New Jersey Small Group Continuation Right (NJSGCR) election are the same.

Even if an individual is eligible to make a Chapter 375 continuation election, he or she should evaluate the COBRA (or NJSGCR) election option to determine which election option is best for his or her situation.

AmeriHealth also offers Individual Health Coverage options that provide comprehensive coverage at an affordable cost. Choose from varying benefits, copayment levels and premium costs. Plans include:

- IHC Basic
- IHC Preferred
- IHC 50
- IHC 30/50
- IHC 30
- IHC 15

For more details, please visit www.amerihealth.com, or call the number on the insured's ID card.

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