



Dear Clients and Friends,

Keeping track of all of the details of all of the contracts that we enter into is impossible – and, it's getting harder all of the time. There are expiration dates on credit cards, memberships, licenses – the list goes on.

But, when it comes to health coverage the details in contracts are of great importance. No one wants to find out that their child has lost coverage after they've received a large

hospital bill. If this happens, it's a sure thing that the employer will get an earful.

Open enrollment time is the perfect opportunity to remind employees of a plan's rules. This is also true if an employer offers a Flexible Spending Account because the employee may want to have a lower payroll reduction amount if a dependent will only be on the plan for a part of the year.

*Sincerely yours,
Jim Lill, President*

Dependent Child Limits

When employer-provided health plans provide coverage for dependent children – as many do – employers and employees need to be aware of when children lose coverage under the plan. In many cases, a dependent may lose coverage and there may not be any notice that this has occurred. The information may then come to light at the worst time – when a claim for coverage is denied.

Many plans cover a dependent child until the age of 19 or, if they're a full-time student to age 25. But, every plan is governed by the contract between the employer and the insurance carrier or by the Plan Document, if the plan is self-funded. Therefore, the limiting age or rules for dependents should be revisited frequently and communicated to employees on a regular basis.

Many employers are gearing up for open enrollment season. This is an excellent opportunity to remind employees of the rules

regarding dependents and the options that are available to them for dependent coverage.

When plans provide coverage based on a student's status, employees may be required to provide proof that the student is enrolled full-time. If the status of the student changes at any time, it is important to inform the carrier or plan administrator.

There are a number of options for dependents leaving the parent's plan. A first option would be coverage available through the school the dependent may be attending. Another option may be an individual policy for the dependent. But, if the child has a pre-existing condition, continuation coverage available through either state or federal laws may be the best option to pursue.

Another option is a temporary policy. This is best when the loss of coverage is likely to be short term in nature.

Ask us about free COBRA and FSA administration!