



It's Time!—Required Notices about the Coverage of Adult Children to Age 26 and Grandfathered Health Plan Disclosure

We want to remind employers with calendar year plans of the special enrollment notice that must be distributed with respect to the coverage of adult children up to age 26 and of disclosures required by grandfathered plans. This alert will also list certain other notices that may need to be provided by plan sponsors of group health plans.

Our comments are in italics.

Adult Child Coverage to Age 26

Interim final health care reform regulations require group health plans which provide dependent coverage to make coverage for children available to age 26, regardless of whether the child lives with his or her parents, is a dependent of the employee for federal income tax purposes, is married or is a full-time student. The only exception is for a child who is entitled to other employer-provided coverage (such as through his or her job or spouse's job). The notice must be provided to the child of any eligible employee, if under the terms of the plan the availability of coverage ended or was denied before the attainment of age 26. The notice may be sent to the eligible employee.

This notice must be provided by no later than the first day of the first plan year beginning on or after September 23, 2010 (e.g., January 1, 2011 for a plan with a calendar year plan year) and must provide a special enrollment period of at least 30 days. The effective date of the coverage must also be the first day of the first plan year beginning on or after September 23, 2010 (e.g., January 1, 2011 for a plan with a calendar year plan year).

The better practice would be to provide a special 30-day enrollment period prior to the effective date of coverage. For example, a special enrollment period from November 15, 2010 to December 15, 2010 by a plan with a calendar year plan year.

Grandfathered Health Plan Disclosure

To maintain status as a grandfathered health plan or health insurance coverage, the plan sponsor or issuer must include a statement in certain plan materials provided to a participant or beneficiary under the plan or health insurance coverage that the plan sponsor or issuer believes it is a grandfathered health plan within the meaning of Section 1251 of the Patient Protection and Affordable Care Act ("PPACA") and provide contact information for questions and complaints.

This disclosure is required to be included in plan communications which provide participants and beneficiaries with information needed to make informed health coverage choices, such as annual enrollment brochures and summary plan descriptions. This grandfathered plan notice does not need to be included in individual explanations of benefits.

Other PPACA Required Model Notices

- Pre-Existing Condition Exclusions Model Notice (required for both grandfathered and non-grandfathered plans)
- Primary Care Ob-Gyn or Pediatrician Provider Model Notice (required for non-grandfathered plans only)

New Notices for Claims and Appeals

- Model Notice of Adverse Benefit Determination (required for non-grandfathered plans only)
- Model Notice of Final Internal Adverse Benefit Determination (required for non-grandfathered plans only)

November 10, 2010