



FREQUENTLY ASKED QUESTIONS

Continued Coverage for Over-age Dependents

May 2010

Background

On April 27, 2010, Health Net announced it is providing employer groups and those with individual policies the option of continuing coverage for existing enrolled dependents until their 26th birthday. The option of continued coverage is in advance of similar provisions that will take effect on September 23, 2010, under the federal health care reform law.

Below are answers to frequent questions.

NOTE: Because of continuing developments in the arena of health care reform, some of the interpretations and timeframes in this document may change.

Q1 How does a member continue coverage for a dependent already on their policy?

Group If you are a plan administrator, you may contact your broker or Health Net representative for details. If you are an employee with a group policy, please contact your plan administrator to determine if your group will adopt coverage for over-age dependents in advance of their renewal on or after September 23, 2010.

IFP: For details, you may contact a Health Net Customer Service Representative at the following numbers:

- California: (800) 909-3447 option 3, option 3
- Oregon and Washington: (888) 802-7001 option 1, option 9
- Arizona: Please call the telephone number listed on your Health Net identification card.

Q2 Which over-age dependents qualify for coverage?

Group If the employer group notifies its Health Net representative prior to May 31, 2010 that it wishes to elect the option to continue coverage for existing enrolled dependents, dependents with birthdays in April 2010 and later will not age-off their parents' plans until their 26th birthday. For groups opting in after May 31, 2010, the over-age dependents will be retained from the month the group opts in.

IFP If the individual notifies Health Net prior to May 31, 2010 that he or she wishes to elect the option to continue coverage for existing enrolled dependents, dependents with birthdays in April 2010 or later will not age-off their parents' plans until their 26th birthday. For individuals opting in after May 31, 2010, the over-age dependents will be retained from the month the individual opts in.

Q3 What is the process for implementing coverage for over-age dependents?

Group Employers should notify their Health Net account representative in writing (email, fax, etc.). Upon receiving the request, the Health Net Account Manager is responsible for submitting a Group Sales Notification (GSN) requesting existing enrolled dependents be covered up to age 26. For groups that opt between May 1, and May 31, 2010, to continue dependents' coverage, coverage will continue for dependents who age-off their parents' plans in April 2010 or later. For groups that opt in for continued dependent coverage on June 1, 2010, or later, the effective date will be the first of the following month.

BIRTHDAY MONTH	FIRST OPT-IN MONTH
APRIL	MAY
MAY	MAY
JUNE	JUNE
JULY	JULY
AUGUST	AUGUST
SEPTEMBER	SEPTEMBER

EXAMPLE: For a group requesting continued dependent coverage on June 10, 2010, coverage for the dependents would have terminated July 1, 2010 due to a June birthday will be retained.

IFP Individual members who want to opt in need to contact a Health Net Customer Service representative at the telephone number listed on their ID card.

Q4 If a member's dependent aged-off their policy prior to May 1, 2010, or has never been on their plan, may the member add him/her at this time?

Group Not at this time. However, when health care reform provisions take effect on September 23, 2010, dependents, until their 26th birthday, may be added to their parents' policies upon the employer group's renewal.

IFP Not at this time. However, when health care reform provisions take effect on September 23, 2010, dependents, until their 26th birthday, may be added to their parents' policies, subject to medical underwriting guidelines.

Q5 If an existing employer group or individual elects continued coverage for dependents until their 26th birthday in advance of September 23, 2010, will the premium amount change?

Group Not at this time. Premium rates will be reviewed upon renewal.

IFP No, as the dependents' coverage already is factored into the premium.

Q6 What if a new employer joins Health Net on June 1, 2010, or later? Will employees be able to cover their over-age dependents before September 23?

Group The employer will need to request the maximum age up to the dependents' 26th birthday. This will be part of the contract/Group Sales Agreement (GSA) they sign with Health Net. There will be new pricing for this request.

IFP Not applicable.



- Q7 If an employer hires or adds a new employee with an over-age dependent under 26, will the dependent be covered under the parent's policy?**
- Group Not at this time. Health Net's early adoption of federal provisions regarding dependent coverage is for existing enrolled dependent members only.
- IFP Not applicable.
- Q8 Will employers need to complete an application or addendum in order to continue coverage for dependents prior to September 23, 2010? Will a contract amendment be issued?**
- Group No application, addendum or contract amendment is needed. Group Agreements will be updated upon the group's first renewal on or after September 23.
- Q9 Will there be special open enrollments before September 23, 2010, for over-age dependents who are not currently covered on their parents' policies?**
- Group No, because early adoption of over-age provisions is for *existing* enrolled dependents who wish to continue coverage.
- IFP Not applicable.
- Q10 Is there any impact if an employer or individual does not continue coverage for over-age dependents?**
- Group There will be no impact until federal health care reform provisions regarding dependent coverage go into effect upon the employer group's first renewal on or after September 23, 2010. At that time, dependents up to age 26 may be added to their parents' policies during open enrollment or upon renewal. Until then, current policies and procedures regarding over-age dependents apply.
- IFP Current policies and procedures regarding over-age dependents apply, meaning it's possible that a dependent may age-off his or her parents' plan. Dependents up their 26th birthday may rejoin under their parents' policies on or after September 23, 2010.
- Q11 Which policies to these over-age dependent guidelines apply to?**
- A All commercial medical policies for groups and individuals sold by Health Net or Health Net Life Insurance Co. in Arizona, California, Oregon and Washington, *including* COBRA, state-specific COBRA and out-of-state plans. Because current benefit plans for Health Net of the Northeast already include coverage up to at least age 26 for dependents, no modifications are needed.