

# THE WALL STREET JOURNAL.

October 10, 2010

## Keep Your Kids Insured

By **M.P. MCQUEEN**

Adult dependents can stay on their parents' group or individual health-insurance plans until their 26th birthday under the new federal health-care overhaul provision that took effect last month.

The child doesn't have to be in college or live with parents to qualify. He or she can be married, although a child's spouse can't be put on a parent's plan.

Many parents of adult and college-age children may be wondering if this is the way to go or whether adult kids should stick with other options, such as an individual health-insurance policy, public health programs for low-income adults or student health plans.

Currently, about 30% of adults age 19 to 29 are uninsured, a problem the law was meant to help address. Some states, including New Jersey and New Mexico, already had similar laws. But age limits and requirements varied.

### ***Most Employers Included***

Under the new law, most big employers will make adult-child health-insurance coverage available for workers starting in the open-enrollment period this fall for the plan year beginning in January 2011, though some may permit enrollment sooner.

In states where some adult children can stay on parents' plans beyond age 26, employers must abide by state laws, says Dean Hatfield, senior vice president and corporate health leader at Sibson Consulting.

About 75% of employers surveyed by human-resources consultant HighRoads said employers will include information about this and other health-care reform provisions in their materials during open enrollment. Parents have to be provided with a written notice by the first day of the plan year.

The new law applies to all health-insurance plans created after March 2010. If the plan existed before March, an employer can opt to exclude young adults if they have access to an employer-sponsored plan of their own, Mr. Hatfield says. (The rule remains in effect until 2014, when all adult kids will be able to get on a parent's plan.)

Parents also can put adult children on their Cobra plan, which allows terminated workers to continue under their former employer's group health-insurance plan. And adult children who have passed a state's age limit for Cobra coverage under a parent's plan in the last 60 days may be able to stay or get back on the plan, says [Phil Lebherz, executive director of the Foundation for Health Coverage Education](#).

### ***Limited Added Cost***

From an insured parent's standpoint, it's hard to beat the cost savings of keeping an adult child on a parent's employer-provided health plan, some experts say.

Covered employees pay an average of 30% of the premium for family coverage under group health insurance and employers pay the rest, according to a Kaiser Family Foundation survey. Employees who pay part of the premium often have only two options -- individual and family -- so an additional dependent typically doesn't cost much more.

If there's a gap before you can sign up an adult child for coverage, look for a short-term insurance plan or other health plan, including public plans for low-income adults and families. One resource: [\*\*the Foundation for Health Coverage Education, coverageforall.org or 1-800-234-1317\*\*](#). A Spanish-language edition is at [\*\*espanol.coverageforall.org\*\*](#).

Check for exclusions, co-pays and deductibles if you opt for an individual plan. Also, check whether an employer-provided or individual plan covers your child in another state.