

Self-Funded Groups

Important: Please be sure to pass this information along to your employees.

Under the federal Patient Protection and Affordable Care Act (PPACA), there are new rules regarding coverage for dependent children. They are as follows:

- The healthcare reform act requires continued coverage of dependent children until the child's 26th birthday, regardless of marital or student status, whether the child lives with or is financially dependent upon the parent, or whether the dependent is eligible for coverage through his/her employer.
- Dependents can be married, but the dependent's spouse is not eligible. Also, coverage is not available to children of covered children (grandchildren).
- All groups that provide coverage for dependents are required to adopt this mandate, including groups that have a collective bargaining agreement (CBA) in place and groups that are grandfathered. However, grandfathered groups are only required to cover dependents who are not eligible for their own employer-sponsored plan. (This exception is only available until 1/1/14.)

How does this affect BCBSRI coverage?

BCBSRI has made the following business decisions regarding self-funded groups. These changes apply upon plan renewal.

Medical Insurance:

- Self-funded groups will not be automatically updated on 10/1/10 to include dependent coverage until age 26.
- If a self-funded group chooses to be grandfathered, the group must extend coverage to dependent children up to the age of 26 if the child is not eligible to enroll in employer-sponsored coverage. (The group is required to enforce this.)
- To add a dependent:
 - I. A subscriber must wait until the group's renewal date; or
 - II. Groups may elect to allow dependents to enroll outside of an open enrollment after 6/1/10.

Dental Insurance:

- Self-funded dental groups are not required to cover dependents to age 26.
- Services that have a specific age limit (e.g., sealants to age 18) will not be changed to age 26.

Medical and Dental Insurance:

Important Notes:

- BCBSRI will no longer conduct the student recertification process.
- Groups must control and verify their dependents' enrollment and disenrollment.
- For a grandfathered plan, it is the group's responsibility to determine whether dependents have other group coverage available to them.
- The process for adding dependents will not change (e.g., electronic enrollment).