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TO: New York State and Participating Employer Health Benefits Administrators
FROM: Employee Benefits Division
SUBJECT: NYSHIP Coverage for Unmarried Young Adults through Age 29
DATE: October 28, 2009

Effective January 1, 2010, NYSHIP rules will be modified to provide health insurance eligibility for unmarried young adults through Age 29 (the "Young Adult Option") as required by Chapter 240 of the Laws of 2009.

The Young Adult Option does not change NYSHIP's maximum age criteria for dependent coverage available to enrollees, but allows the young adult child of an enrollee to purchase individual health insurance coverage through NYSHIP when the young adult does not otherwise qualify as a NYSHIP dependent. The young adult's eligibility for NYSHIP enrollment is subject to the various criteria detailed in this memo. Enrollment in the Young Adult Option will be handled by the Employee Benefits Division (EBD) as described below.

This change applies to health insurance only. Dental and Vision coverage are not available under the Young Adult Option.

Cost

The young adult or his/her parent must pay a separate premium for the Young Adult Option. There will be no employer contribution by the State toward the cost of the Young Adult Option; rather, the young adult or his/her parent are required to pay the full cost of premium for individual coverage for the NYSHIP option selected for coverage. (Note to PE's: the law does not require an employer contribution toward the cost of this coverage.)

Eligibility

In order for a Young Adult to be eligible to enroll in NYSHIP under the Young Adult Option, the young adult must:

1. be a child, adopted child, or step-child of a NYSHIP enrollee (including those enrolled under COBRA);
2. be age 29 or younger;
3. be unmarried;
4. not be insured by or eligible for coverage through the young adult's own employer-sponsored health plan, whether insured or self-funded, provided that the health plan includes both hospital and medical benefits;
5. live, work or reside in New York State or the insurer's service area; and
6. not be covered under Medicare.

In addition:

7. the young adult need not live with the parent, be financially dependent upon the parent, nor be a student;
8. a young adult's eligibility for health insurance coverage through a former employer under federal COBRA or State continuation coverage does not disqualify the young adult from electing the Young Adult Option under NYSHIP;
9. a young adult's children are not eligible for coverage under the Young Adult Option, but may be eligible for health insurance coverage under other programs, such as the Child Health Plus program.
10. a parent need not have family coverage for the young adult to enroll in the Young Adult Option.
11. the young adult need not have been previously covered under the parent's NYSHIP coverage.

Eligibility for NYSHIP enrollment under the Young Adult Option ends when one of the following occurs:

1. the young adult voluntarily terminates coverage;
2. the young adult's parent is no longer enrolled in NYSHIP;
3. the young adult no longer meets the eligibility requirements for the Young Adult Option as outlined above;
4. the NYSHIP premium for the young adult is not paid in full within the 30-day grace period.

Termination of coverage under the Young Adult option does not cause a "qualifying event;" therefore, the young adult has no right to federal COBRA coverage or State continuation coverage when the Young Adult coverage ends.

Available Coverage

A Young Adult is entitled to the same health insurance coverage as his/her parent provided the young adult lives, works or resides in New York State or the insurer's service area.

Additionally, NYSHIP will permit a Young Adult to enroll in any other NYSHIP option that is available to the parent and for which the Young Adult otherwise qualifies for enrollment under NYSHIP rules. This means that a Young Adult may:

1. Enroll in The Empire Plan regardless of the parent's option;
2. Enroll in the same HMO as the parent if the Young Adult lives, works or resides in the HMO's service area or in New York State; or
3. Enroll in a NYSHIP HMO that the parent is not enrolled in if the Young Adult lives or works within the HMO service area.

Enrollment Rules

Either the young adult or his/her parent may enroll the young adult in the Young Adult Option, and either may elect to be billed for the young adult's NYSHIP premium.

A young adult has the following opportunities to be enrolled in the Young Adult Option:

1. Between January 1, 2010 and December 31, 2010 (Initial 12-Month Open Enrollment Period)

Coverage may be elected by an eligible young adult at any time during calendar year 2010. Unless the criteria under item 2, below, are met coverage will be effective prospectively, no later than 30 days after NYSHIP receives written notice of the election and payment of the first premium. In most cases, coverage will be effective on the first of the month following receipt of the written notice and payment of the first month's premium.

2. When the Young Adult Would Otherwise Lose Coverage Due to Age

Coverage may be elected within 60 days of the date that the young adult otherwise would lose eligibility for coverage, as his/her parent's dependent, due to age. Coverage is retroactive to the date that the young adult lost coverage due to age. This is the only circumstance in which the Young Adult Option will be effective on a retroactive basis.

3. When the Young Adult is Newly Qualified Due to a Change in Circumstances

Coverage may be elected within 60 days of the date that the Young Adult newly meets the eligibility requirements for the Young Adult Option, such as loses coverage through his/her employer; moves his/her residence into New York State; or gets divorced. It is possible for a Young Adult to elect coverage under this option on multiple occasions due to changes in the young adult's eligibility over time. Coverage will be effective prospectively, no later than 30 days after NYSHIP receives written notice of the election and payment of the first monthly premium. **In general, coverage will be effective the first day of the month following receipt of the young adult's notice of election and first premium payment.**

4. During the Young Adult Option Annual 30-Day Open Enrollment Period

Beginning in 2011 coverage may be elected during the Young Adult Option annual 30-day open enrollment period. Coverage under this option will be effective prospectively.

Enrollment Materials and Instructions

An application for the NYSHIP Young Adult Option must be completed (Form YAD APPL 01/10) and submitted to the Employee Benefits Division. If you receive requests for the form, it is available on HBA Online under Publications & Forms or you can direct the enrollee or young adult to NYSHIP Online (<https://www.cs.state.ny.us/youngadultoptionnype/index.cfm>) where information about the Young Adult Option will be posted including the eligibility requirements and 2010 rates (as soon as they are approved). Applicants should include the first month's premium with the application to ensure the earliest possible effective date of coverage, as described above.

Enrollment transactions for the Young Adult Option will be processed by the Employee Benefits Division. If you receive an application for the Young Adult Option, please forward it to EBD or instruct the applicant to do so.

EBD will respond to the applicant with either an approval or denial of the application. If the application is approved, EBD will bill the young adult or his/her parent (as designated on the application) on a monthly basis. Premiums are due on the 30th of the month prior to the first day of the coverage period. If payment is not received within 30 days of the due date (the grace period), coverage will be cancelled and re-enrollment will not be available until the next open enrollment period or the occurrence of a new qualifying event.

