



HEALTH CARE REFORM UPDATE

FRIDAY, MAY 14, 2010

DEPARTMENT OF HEALTH & HUMAN SERVICES ISSUES INTERIM RULES FOR IMPLEMENTATION OF PPACA DEPENDENT AGE REQUIREMENTS

On Monday, May 10, 2010 the United States Department of Health & Human Services (HHS) issued interim final regulations (IFR) to implement the Patient Protection and Affordable Care Act (PPACA) new dependent age provisions. As we will continue to do each time new regulations are issued, we have worked with our legal partners from the Washington, DC-based firm Steptoe & Johnson to analyze these interim rules and prepared a memo that will provide you with an overview of the requirements. Highlights of the IFR are:

- The only criterion for coverage is the dependent's age.
 - The only exception to this is that grandfathered plans can exclude those children who are eligible for their own employer-sponsored coverage until January 1, 2014. (Additional regulations regarding grandfathered plans are expected to be released shortly.)
- All dependents have to be charged the same premium; no surcharges are permitted for older dependents.
- All dependents must be offered the same coverage options.
- A special enrollment notice/period for dependents will be required:
 - It starts no later than first day of the first plan year beginning on or after September 23, 2010, and must last for 30 days. It is okay for plans to use their existing annual enrollment periods to comply with this if the annual enrollment period fits within the time parameters required by the regulation.
 - Additionally, coverage for these newly enrolled dependents must begin no later than the first day of the first plan year after September 23, 2010, even if the request for enrollment is made after the first day of the plan year. This means that coverage must be made retroactive to the first day of the plan year if the enrollment request is made after the first day of the plan year. In subsequent years, dependent coverage may be elected in connection with normal enrollment opportunities.
- No coverage is required for spouses or children of qualifying dependents.
- Separately, the IRS has issued guidance on the tax treatment of dependent coverage under the new provision as detailed in our [April 30th Health Care Reform Update](#).

To view the memo provided by our partners please visit:

<http://www.trion.com/healthreform/documents/2010.05.11.PPACA.DependentAge26.Memo.pdf>

If you would like to view the interim rules in their entirety, please visit:

http://www.hhs.gov/ociio/regulations/prs_omnibus_final.pdf

Finally, as always, we invite you to review past issues of our *Health Care Reform Update* and frequently asked questions at <http://www.trion.com/healthreform>. And encourage you to continue sharing your questions, comments, and suggestions for what you'd like us to include in these updates by emailing us at health.reform@trion.com or calling **610.945.1198**