

Legislative Update

Employee Benefits



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August 27, 2008

New Illinois Dependent Age Limit for Health Care Coverage

New Law

Last week, the Illinois Senate passed Governor Rod Blagojevich's proposed amendment to House Bill 5285, which provides parents the right to cover their dependent children under the parents' health plan for an extended period. **The new law becomes effective January 1, 2009.** Like other state-mandated benefits, this law does not apply to self-funded programs.

The amendment to the bill extends a dependent's ability to be covered under his/her parents' health plan until age 26. Active duty or veteran status dependents may remain on their parents' health plan until age 30.

Eligible dependents would not have to live at home, or even in Illinois. However, they must remain unmarried.

Families will have three months following the January 1, 2009 effective date to add their dependent(s) onto their policy. Parents may also add eligible dependents during annual open enrollment or on the policy renewal date.

The amendment adds to, but does not

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change the original language of HB5285, which allows college students to stay on their parents' health insurance for a year or until the plan would have ended, if they take a medical leave of absence or reduce their course load to part-time because of an illness or injury.

Goal of the Legislation

Of the 1.4 million people age 19-25 in Illinois, an estimated 300,000 are uninsured. The goal of the amended law is to get this demographic insured so they can take advantage of preventive care or get proper treatment for chronic serious conditions.

Background

Until now, Illinois has not had an age requirement for dependent coverage. Age limitations on health plans generally have been stipulated on per policy basis by insurance carriers. Typical carrier dependent rules might include an age limit to 21 years or full time student status.

Twenty states have enacted dependent coverage expansions.

Future of the Bill

Of note is the fact that this proposal went from initial idea to law in less than two weeks, with a vote of 35-17.

Although the bill has passed through the Senate, it may not be out of the woods yet. Business groups are already considering lawsuits to stop the health care expansion, which opponents say will attract unhealthy youngsters and push insurance rates up across the board.

This article is intended as an overview and should not be viewed as legal or tax advice. Please consult with your attorney or tax professional if you have any questions about this legislation.