

December 23, 2009

Dear Atlantis Member,

New York State has recently changed their laws regarding dependent coverage, so this means that your covered dependent child who loses coverage before age 30 because he or she reaches the plan's limiting age may now be eligible to continue coverage until their 30th birthday.

In order to be eligible for coverage, young adults must meet the following requirements:

- (1) Be unmarried;
- (2) Be 29 years of age or under;
- (3) Not be insured by or eligible for health insurance through his or her own employer;
- (4) Live, work or reside in New York State or the health insurance company's service area;
- (5) Not be covered under Medicare; and
- (6) Their parent (the subscriber) must maintain coverage with Atlantis through their employer.

Coverage for these dependents will end on the first to occur of the following:

- (1) The date the dependent no longer meets the dependent requirements.
- (2) Failure to pay premium for the dependent coverage.
- (3) Date on which the group or subscriber policy is terminated.

The law has 2 segments: (1) a Make Available Option and (2) a Mandatory Right of Election - Young Adult Option.

- (1) **Make Available Option** – The law requires Atlantis to offer a “make available” option to increase dependent coverage to age 29 through the purchase of a Rider. This is optional for the employer or contract holder to offer, and is ***not mandatory***.

**Next Steps:**

- ✓ We have sent notice to your employer and it will be their decision as to whether or not they offer this option in your employee benefits.
- ✓ Discuss this with your employer, if they do include this option, this rider will be effective on your groups renewal date on or after September 1, 2009.

- (2) **Young Adult Option** – If your employer does not elect the Make Available Rider which extends the dependent coverage age through 29, the law allows covered employees to buy extended continuation coverage through age 29 for their eligible dependents who have aged out under the policy.

A young adult or parent has the following four opportunities to elect the young adult option:

- **When the Young Adult Would Otherwise Lose Coverage Due to Age** - A young adult may elect the option within 60 days of the date that he or she would otherwise lose eligibility for coverage under the parent's group or group remittance health insurance policy or contract due to age. In this case, coverage under the young adult option is retroactive to the date that the young adult would have otherwise lost coverage due to reaching a specified age.

- **When a Change in Circumstances Newly Qualifies the Young Adult for Coverage -** A young adult may elect the option within 60 days of newly meeting the eligibility requirements for the young adult option. A young adult who elects the young adult option due to a change in circumstances is entitled to prospective coverage.
- **During the Annual 30-Day Open Enrollment Period -** A young adult may elect the young adult option during the annual 30-day open enrollment period described in the group health insurance policy or contract. A young adult who elects the option during this time is entitled to prospective coverage.
- **During the Initial 12-Month Open Enrollment Period –** There is an open enrollment period for those eligible young adults whose coverage terminated under their parent's group policy prior to September 1, 2009. This open enrollment period is following the first renewal of the health insurance policy or contract on or after September 1, 2009 and ends on September 1, 2010. Coverage will be prospective and will start within 30 days of when your parent's employer or group administrator receives notice of your election and premium payment.

**Next Steps:**

- ✓ It is the responsibility of the employee to notify their Employer of their election and remit payment for their eligible dependent directly to the Employer.
- ✓ The rate for the qualified dependent will be the group's single rate.
- ✓ Submit to your Employer a completed Age 29 Enrollment form and payment. The form is available on our website at <http://www.atlantishp.com/employers/forms.asp>.

Please see your Employer for information about your options, your plan's renewal date and necessary enrollment forms.

Sincerely,

Atlantis Health Plan

Member Services

1-866-747-8422