

December 23, 2009

Dear General Agent/Broker:

Due to the recent passing of N.Y. Insurance Law § 3216, N.Y. State has expanded access to health insurance by allowing unmarried children through age 29, regardless of financial dependence, to be covered under a parent's group or direct pay health insurance policy.

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 when one of the following occurs:

- (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.

- (1) Make Available Option** – The law requires that insurers, including HMOs like Atlantis, now offer a “make available” option to increase dependent coverage to age 29. New members and renewals for group contract holders as well as direct pay will have the right to extend for their subscriber's eligible dependents through age 29. This is optional for the employer or contract holder to offer, and is **not mandatory**.

The law affects policies or contracts issued, renewed, modified, altered or amended on or after September 1, 2009.

Upcoming Renewals – Groups will receive more information about the Make Available Rider in their renewal package. As with other benefits, they will have to elect coverage for this additional rider.

Renewals 9/1 – 2/1 – For those that have renewed on or after September 1, 2009, they will have the ability to add the Make Available Option to their benefits, retroactively to their renewal date (additional premium payment would be required). If they would like to add this benefit to their policy you must contact Atlantis Sales Support at (866) 747-8422 (option 3 and then option 2) by February 15, 2010.

Rates for Make Available Option – If option is chosen, the rates will be adjusted (higher) to incorporate the expanded dependent age. The current tiered rates will be modified with the following factors.

- Two Tier Family – 1.015
- Three Tier Family – 1.020
- Four Tier EE plus Child(ren) – 1.045
- Four Tier Family contract – 1.015

(2) Mandatory Right of Election – If the employer or group contract holder do not elect to extend 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. This right applies to all groups, regardless of size and requires the subscriber to pay the full premium for this extension. Atlantis will include these dependents on the group's invoice. It is the responsibility of the employee to remit payment for their eligible dependent directly to the Employer. The coverage provided to the dependent child will be the same as the coverage provided to the employee/parent.

It is the responsibility of the employee to notify the group administrator of their election and remit payment for their eligible dependent directly to the Employer. The Employer must submit to Atlantis the Age 29 Enrollment Form (<http://www.atlantishp.com/employers/forms.asp>) on behalf of the employee along with premium prior to electing coverage under this option. For the subsequent months, the Young Adult will be on the Employer's invoice and the Employer must remit payment for this Young Adult with the group's premium.

Rates for Young Adult Option – The rate for the qualified dependent will be the group's single rate.

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.

Atlantis will provide advance notice of the of the "make available" benefit as required by law. Additionally, we will provide notice of the mandatory right of election as required by law before a dependent "ages out" under a policy. This will be a onetime notice with details regarding a special 12 month enrollment period.

For more information, please visit http://www.ins.state.ny.us/health/S6030_Age29.htm or contact your Atlantis Health Plan Sales Support Representative at (866) 747-8422 (option 3 and then option 2).

Sincerely,

Atlantis Health Plan

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