COVERAGE FOR DEPENDENT TO AGE 26

QUESTIONS AND ANSWERS

Near-term benefit changes required in the Patient Protection and Affordable Care Act

The information in this document is valid as of August 31, 2010.
Background

On April 21, many medical health insurance companies reached an agreement with the Department of Health and Human Services regarding the continuation of dependent coverage up to age 26, in advance of the new regulatory requirement of the Patient Protection and Affordable Care Act scheduled to take effect this September. Effective immediately, we will continue coverage for dependents that are currently enrolled in our BCS individual health plan if they are under age 26.

Following is a Q&A that will help you answer questions about the announcement.

Q&A

**What is happening with coverage for children who would normally roll off their parents' policies when they turn a certain age?**

It has been the longstanding policy of MDA Insurance to allow dependents to remain on their parents' health insurance coverage for the remainder of the calendar after graduation for fully-insured customers.

The legislation requires health plans which offer dependent coverage to cover dependent children until age 26, for plan years beginning on or after September 23, 2010.

**What about my child who previously rolled off my policy, but is still under 26? How can I re-enroll my eligible adult child?**

Dependents up to age 26 whose coverage ended in that plan by reason of reaching a dependent eligibility threshold must be offered coverage on their parents' policy for plan years beginning on or after September 23, 2010. MDA Insurance will work with customers to enroll dependents under 26 in time to meet the requirement to do so.

**What plans are required to extend dependent coverage up to 26?**

The coverage extension applies to all individual policies and employer plans beginning with the first plan year on or after September 23, 2010.

**Will adult children be given a special chance to enroll after September 23, 2010?**

Yes. For plan years beginning on or after September 23, plans must give children who qualify, an opportunity to enroll that continues for at least 30 days, regardless of whether the plan or coverage offers an open enrollment period. MDA Insurance will work to provide details about when and how to enroll.

**Does the adult child have to purchase an individual policy?**
No. Eligible adult children wishing to take advantage of the new coverage will be included in the parents' individual family policy.

**Will Medicare cover adult children in the same way that private insurance will?**

No. The provision does not apply to Medicare.

**Is MDA Insurance required to provide coverage for the spouse of the adult children or the children of adult children receiving the extended coverage?**

No.

**Will MDA Insurance notify me of the special enrollment period?**

Yes, MDA Insurance is sending to both individual and group policyholders notification for the open enrollment period scheduled for November 1 to November 30, 2010.

Normal underwriting requirements will be maintained.