



The Vita Viewpoint Important Information for Decision Makers

Reminder: Student Status Requires Periodic Verification with Carriers No Longer Eligible Dependents Become Eligible for COBRA

Congratulations, Class of 2006!

Springtime is a season of milestones, as proud parents celebrate high school and college graduations. Those milestones may also mark the end of group health benefits for the happy graduate, and it is important to remind employees of this fact.

Confirm Maximum Dependent Age Limits Under Your Plans

As a general rule, health and dental carriers define eligible children as “unmarried dependent children under the age of 19”. Children become ineligible for benefits on their 19th birthday, unless they are still in school.

The maximum age limit for students beyond age 19 varies from plan to plan and from carrier to carrier. Typically, student age maximums are age 23, age 24, and sometimes even age 25. Be sure to confirm the actual age limitation for your plans.

Documentation requirements for student status also vary from one insurance carrier to the next. Most carriers send written requests to verify student status directly to employees, and some will even notify the employer so that you will know when a child may be on the verge of losing coverage. If proof of student status is not received, the carrier will terminate coverage on that child...causing anxiety and concern when claims start to bounce!

Now is a good time to verify the dependent child eligibility requirements for your plans, and to send a brief reminder to employees so that they can update their records with the insurer.

COBRA Qualifying Events

If a child over the age of 19 does not meet the student status requirements of your insurer, that loss of coverage is a COBRA Qualifying Event. The employee’s responsibility to notify you of such qualifying events is spelled out in the COBRA Initial Notice. This document is typically titled “Very Important Notice of Group Health Coverage Continuation Rights under COBRA” and should be mailed to all employees and their eligible dependents when they first become eligible for your group health plans.

We recommend mailing the Initial Notice to all employees on a periodic basis, to ensure that they are reminded of these important responsibilities. Employees who do not notify you of a child’s loss of student status in a timely manner will not be able to elect COBRA continuation for that child.

The employer must be notified within 60 days of the qualifying event (maximum age limit birthday or date student status is lost). Please make sure that the appropriate forms for this notification are readily available to your employees.

For questions or additional information, please contact Vita Benefits Group at (650) 968-8811.