



Health Benefits Coverage Continuation for Over Age Children with Disabilities

Information for:
State Health Benefits Program (SHBP)
School Employees' Health Benefits Program (SEHBP)

TERMINATION OF COVERAGE FOR OVER AGE DEPENDENTS

The eligibility of a dependent child covered under your benefits through the State Health Benefits Program (SHBP) or School Employees' Health Benefits Program (SEHBP) ends on December 31 of the year in which he or she turns 26 years of age. However, an over age child who is disabled due to a mental or physical disability and dependent upon you for support can remain covered as a dependent if the child's disabled status is approved.

CONTINUATION OF COVERAGE FOR A CHILD WITH A DISABILITY

In the fall of the year in which a covered child turns age 26, you are notified of the impending termination via a Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) eligibility notice* (see the "COBRA" section). If the child is physically and/or mentally unable to provide for him or herself, the member can request an *Application for Continued Enrollment for Dependents with Disabilities*. The application and proof of the child's condition must be received by the New Jersey Division of Pensions & Benefits (NJDPB) Health Benefits Bureau no later than 31 days after the date coverage would normally end. Since coverage for over age children ends on December 31 of the year they turn 26, you have until

January 31 to file the *Application for Continued Enrollment for Dependents with Disabilities*. To obtain this application, call the NJDPB at (609) 292-7524, or write to:

**New Jersey Division of Pensions & Benefits
Health Benefits Bureau
P.O. Box 299
Trenton, NJ 08625-0299**

The *Application for Continued Enrollment for Dependents with Disabilities* includes a section to be completed by a physician describing the dependent's disability. The Medical Review Board must assess each case, and may request that the member provide additional medical documentation that the Board finds necessary to make an informed determination; prior approval from a previous insurer is not acceptable.

If the Medical Review Board determines that the dependent child is eligible for continued coverage, it may continue only while (1) you remain covered through the SHBP or SEHBP; (2) the child continues to be disabled; (3) the child is unmarried; and (4) the child remains dependent on you for support and maintenance. You will be contacted periodically to verify that the child remains eligible for continued coverage.

Date of Coverage

If the dependent is approved for continued coverage, and coverage has already been terminated, it will generally be reinstated retroactively to the date of termination. If, however, an extended period of time has elapsed between the termination and the member's application for continuance, coverage may be reinstated on a timely basis — that is, at the time of the Medical Review Board's determination.

Board of Education Retirees

School board employees who are retiring with 25 or more years of service credit, and whose employers do not participate in the SEHBP, can request to cover an over age dependent with a disability when applying for their own SEHBP Retired Group coverage. The process is the same as described in the "Continuation of Coverage for a Child with a Disability" section, except that the SEHBP must also receive a letter from the board of education certifying that the dependent was covered by the board's group health insurance during the member's active employment up until retirement. Because SEHBP Retired Group coverage is intended to be a continuation of previous employee coverage, the dependent will be denied coverage if not previously covered by the board of education's group health insurance.

*For active employees, your employer will receive a listing of members whose dependents have turned age 26. The employer then sends the COBRA notification to their employees advising of the termination. Retirees are notified about COBRA eligibility by a letter from the Health Benefits Bureau to the current address on file.

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Local Police and Fire Retirees

Local retirees from the Police and Firemen's Retirement System (PFRS), or Law Enforcement Officer members of the Public Employees' Retirement System (PERS), who are eligible for enrollment in the SHBP under P.L. 1997, c. 330 (Chapter 330), can request to cover an over age dependent with a disability when enrolling in SHBP Retired Group coverage. The process is the same as described in the "Continuation of Coverage for a Child with a Disability" section, except that the SHBP must also receive a letter from the former employer certifying that the dependent was covered by the employer's group health insurance during the member's active employment up until retirement. Because SHBP Retired Group coverage is intended to be a continuation of previous employee coverage, the dependent may be denied coverage if not previously covered by the employer's group health insurance.

For more information about Chapter 330, see the *Health Benefits Retired Coverage Under Chapter 330* Fact Sheet. The fact sheet is available on our website at: www.nj.gov/treasury/pensions

Employers Joining the SHBP or SEHBP

When an employer resolves to join the SHBP or SEHBP, over age dependent children with disabilities may be enrolled for coverage provided they were covered as a dependent under the employer's health plan immediately preceding entrance into the Program. The employer must certify that the dependent was covered under the former plan. The employee must request an *Application for Continued Enrollment for Dependents with Disabilities*, and coverage must be approved by the Medical Review Board based upon a determination of the child's disabled status.

New Employees

New employees of a participating SHBP or SEHBP employer will not normally be able to obtain coverage for an over age dependent, because providing this coverage would not represent a continuation of previous coverage. There are two exceptions to this rule: first, when the former employer participates in the SHBP or SEHBP and the dependent is already covered in the program as an approved over age dependent; and second, when the new employee is transferring to the participating SHBP employer through the Intergovernmental Transfer Program, which is described below.

Intergovernmental Transfer Program

Dependent children with disabilities age 26 or older may be enrolled in SHBP coverage when their parent transfers public employment to a SHBP-participating employer through the Intergovernmental Transfer Program. This program provides the opportunity for New Jersey State and local government employees with permanent civil service status to transfer between State and local employment jurisdictions. To be eligible, the child must have been covered as a dependent under the parent's health plan immediately preceding enrollment into the SHBP, and an *Application for Continued Enrollment for Dependents with Disabilities* must be requested. Continued coverage is dependent upon a determination of the child's disabled status by the SHBP Medical Review Board.

INTERIM OR ALTERNATIVE COVERAGE FOR OVER AGE CHILDREN

If the Medical Review Board denies continued health benefit coverage for your over age child, or if you wish to ensure that your child has some form of health benefit coverage from January 1 until the Medical Review Board's decision, you may enroll your child in either COBRA or coverage under the provisions of P.L. 2005, c. 375 (Chapter 375). Rates for COBRA and Chapter 375 coverage can change annually; be sure to compare the rates prior to enrolling in either program. To see a cost comparison, visit our website. If the dependent's coverage is reinstated retroactively, COBRA or Chapter 375 premiums will be reimbursed.

COBRA

In the year in which your dependent child turns age 26, you will receive a COBRA notification letter prior to the termination of the dependent's coverage, which is required by federal law. The *COBRA Notice* outlines the right to purchase continued health coverage, gives the date coverage will end, and the period of time over which coverage may be extended (usually 36 months).

Chapter 375

Chapter 375 gives certain dependents over age 26 and under age 31 the opportunity to purchase continued coverage in exactly the same plan or plans (medical and/or prescription drug) that the covered parent has selected. Chapter 375 does not cover vision and dental benefits; if your child wishes to continue those coverages, he or she must apply for them under COBRA when first eligible.

Note: The *COBRA Application* and/or *Chapter 375 Application* must be filed within 60 days of the dependent's loss of coverage.

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If you need information concerning COBRA coverage, see the *COBRA — The Continuation of Health Benefits* Fact Sheet.

For more information about Chapter 375, see your employer or the *Health Benefits Coverage of Children Until Age 31 Under Chapter 375* Fact Sheet, available on our website.

This fact sheet has been produced and distributed by:

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(609) 292-7524

For the hearing impaired: TRS 711 (609) 292-6683
www.nj.gov/treasury/pensions