

# Local Government Health Plan **ADULT CHILD INFORMATION PACKET**

- Sponsored Adult Child
- Veteran Adult Child
- Student Medical Leave of Absence

This packet contains information regarding adult child enrollment, eligibility and documentation requirements, as well as coverage and cost information.

Members who have an adult child who meets the eligibility requirements and wish to add them to their Local Government Health Plan (LGHP) coverage must complete a Local Government Enrollment form and return it to their Health Plan Representative (HPR) within 60 days of experiencing a qualifying change in status event. The form is available through your HPR.



## Local Government Group Insurance Program Adult Child Group Insurance Benefits

(07/31/2009)

**If you have a child age 19 or older that was previously not eligible for coverage under the Local Government Health Plan you may be able to add them to your coverage under Public Act 95-0958.**

Public Act 95-0958 provides for the extension of health, dental, vision and prescription coverage for three new categories of dependents, referred to as 'Adult Children', who previously may not have qualified for coverage under the Local Government Health Plan. These new categories are **in addition** to the current dependent categories of Student, Handicapped and Other. Pre-existing condition limitations apply to adult children enrolled after July 31, 2009.

Adult children enrolled in the Local Government Health Plan are subject to the same deductibles, family caps, etc., as any other dependent. If you are interested in enrolling an adult child you should read the following information carefully for eligibility, enrollment and documentation requirements.

### **Who is Eligible for Adult Child Coverage?**

In order to qualify for adult child coverage, the adult child **must be unmarried**. The three new categories and the associated requirements are:

1. **Sponsored Adult Child** – Adult children that do not qualify as a student, (that is, the adult child is either age 23 or older, or the child is not attending school in a full-time capacity), handicapped or student military extension dependent may qualify for the sponsored adult child category. The age requirement for a sponsored adult child is age 19 up to, but not including, age 26.
2. **Veteran Adult Child** – Adult children between the ages of 19 and up to, but not including, age 30 who have served as a member of the active or reserve components of any of the branches of the Armed Forces of the United States are eligible for coverage as long as they are an Illinois resident and received a release or discharge other than a dishonorable discharge.
3. **Student Medical Leave of Absence** – Dependents currently enrolled in the student category who are between the ages of 19 and 23 and subsequently go on a medical leave of absence or have reduced their course load to part-time due to a catastrophic illness or injury. Coverage for adult children in this category will terminate 12 months after enrollment in the category, or until the coverage would have otherwise lapsed pursuant to the terms and conditions of the policy (such as turning age 23), whichever comes first.

### **When Can I Enroll My Adult Child?**

Adult child coverage began July 1, 2009, for adult children enrolled during May or June, 2009. Coverage for adult children enrolled after July 1, 2009, will be effective the first day of the month following the date the enrollment form is received by the Health Plan Representative (HPR).

### How Much Will Adult Child Coverage Cost?

The cost of coverage will vary depending on your unit's rate structure and whether or not your adult child qualifies as an IRS tax dependent. You should consult with a tax advisor regarding whether your adult child qualifies as a tax dependent.

- **Adult Child Qualifies as IRS Tax Dependent**

If your adult child qualifies as an IRS tax dependent, the premiums for the adult child's coverage will be based on the coverage category that applies after the child has been added to the coverage (i.e., employee + 1 or employee + 2 or more). If your unit deducts premiums on a **pre-tax** basis, the premiums for the adult child's coverage should also be deducted on a **pre-tax** basis. If your unit normally deducts premiums on a **post-tax** basis, the premiums for the adult child's coverage should also be deducted **post-tax**.

- **Adult Child Does Not Qualify as an IRS Tax Dependent**

If your adult child does not qualify as an IRS tax dependent, the premium will vary depending on your unit's rate structure; therefore, for specific premium amounts, contact your unit's Health Insurance Representative (HPR). The premiums for the adult child's coverage will be deducted on a **post-tax** basis.

### How Is Support Amount Determined for Tax Purposes?

As a general rule, you must provide more than half of the total support of an adult child in order to claim them as a tax dependent. If you are interested in enrolling an adult child, use the support worksheet in IRS Publication 501 (Exemptions, Standard Deduction and Filing Information) to determine the amount of support they provide (available at [www.irs.gov](http://www.irs.gov)). In general, you should compare the amount of support you provide for your adult child versus the amount of support the adult child receives from all sources, including the support provided by you, social security, welfare payments and the support the adult child supplies for himself or herself. Support includes food, shelter, clothing, medical and dental care, education and the like.

If you have an adult child **who qualifies** as a tax dependent, but then loses that status, and your unit deducts premiums on a pre-tax basis, you will need to contact your HPR to notify them of the change. If you plan to continue the coverage, the premium amount will be deducted on a post-tax basis.

### How Do I Enroll an Adult child?

To enroll your adult child, complete a Local Government Enrollment Form and return it to your HPR with the required documentation within 60 days of the qualifying event (see 'What Documentation is Necessary to Enroll an Adult Child?' below). The form is available from your HPR.

### **What Documentation Is Necessary to Enroll an Adult Child?**

You must provide supporting documentation to your HPR before the adult child will be enrolled.

1. **Sponsored Adult Child** – Birth Certificate.
2. **Veteran Adult Child** – Proof of Illinois residency, Veterans' Affairs Release Form (DD-214) stating the date the adult child was released from service (or equivalent) and a Birth Certificate.
3. **Student Medical Leave of Absence** – Clinical certification of need for part-time student status or medical leave from a physician licensed to practice medicine.

### **Will I Need to Periodically Prove Continued Eligibility for My Adult Child?**

As with any other dependent that is 19 years of age or older, you will be required to certify semi-annually that the adult child continues to meet the Local Government Health Plan eligibility requirements. Requirements will be provided at the time of the certification.

The Department of Central Management Services, Local Government Health Plan will periodically conduct random audits of these new categories to verify the eligibility of the adult children. Falsifying information/documentation in order to obtain/continue coverage under the Local Government Health Plan is considered a fraudulent act. The LGHP will impose a financial penalty, including, but not limited to, repayment of all premiums the LGHP made on behalf of the adult child, as well as expenses incurred by the Plan.

### **Are Children of an Adult Child Eligible for Coverage?**

Dependent children of an adult child are not eligible for coverage unless you (the member) have legally adopted the child or are their legal guardian. Court documentation is required to prove the guardianship or adoption.

### **What If My Adult Child No Longer Qualifies for Coverage?**

If at any time the adult child becomes ineligible for benefits, it is your responsibility to immediately notify your HPR. Adult children who lose eligibility for coverage will be offered the option of continuing coverage under the provisions of COBRA.