

SAMPLE ANNUAL AGE 23 LETTER FOR RETIREE GROUP PARTICIPANTS

MM/DD/YYYY

Dear Participant:

Under the terms of the State Retiree Health Benefits Program, dependent children are no longer eligible for health coverage at the end of the calendar year in which they turn age 23 unless they have experienced an event which causes loss of eligibility sooner (such as marriage or the child is no longer eligible to be claimed on the parents' federal tax return).

The program's Benefits Eligibility System indicates that you provide coverage for a child whose eligibility will cease as of January 1. Thus, the 23-year-old child will be automatically removed from coverage. Because your child will no longer be eligible for the program, you may be able to reduce your membership and also lower the cost of your premiums. If you qualify, your membership will be reduced automatically effective January 1, 2006.

There are three health benefit options listed below for children who will lose coverage in the State Retiree Health Benefits Program due to age. They are:

- (1) Your child may enroll in Extended Coverage under the provisions of the Public Health Service Act (PHSA) for a period of up to 36 months. A Notice/Election of Health Care Coverage Continuation, an Extended Coverage Enrollment Form, along with a Certificate of Creditable Health Coverage as required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) will be sent to your child.

The Certificate of Creditable Health Coverage provides evidence of prior creditable health coverage. Your child may need to furnish it if he or she becomes eligible for coverage under a health plan that excludes coverage for certain medical conditions which existed before enrollment.

- (2) Your child may enroll in non-group coverage available through your current health benefits plan. Contact the plan directly to purchase non-group coverage.
- (3) If you believe that your child qualifies as an adult disabled dependent, he or she may be eligible for continued coverage under the State Retiree Health Benefits Program.

- Retiree group participants enrolled in plans administered by Anthem Blue Cross and Blue Shield must apply within 31 days of the date the child loses eligibility.
- Retiree group participants enrolled in Kaiser must make application prior to the date the child is no longer eligible.

Contact the Benefits Administrator signing this correspondence for information on eligibility requirements and necessary action. Please note that the approval process can be very time consuming. If you feel that your child may qualify for this provision, we recommend that you take immediate action.

If our records are incorrect and you do not have a dependent child who will reach age 23 by December 31, please notify your Benefits Administrator of your child's correct date of birth.

Sincerely,