



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

Benefits Administrator Memo

#06-06

To: Benefits Administrators
From: Mary P. Habel, Director
State and Local Health Benefits Programs
CC: All OHB
Date: October 5, 2006
Re: Dependents Who Lose Eligibility at the End of 2006

Dependent children who are otherwise eligible for the State Health Benefits Program lose eligibility at the end of the year in which they turn age 23. The system will remove the ineligible dependents from coverage as of January 1, 2007, and will also reduce the employee's or retiree group participant's membership as appropriate with removal of the dependent. Enclosed is a sample letter that you may use to notify affected employees. A separate letter is attached for use in notifying retirees or long term disability participants. Also, be sure you send an Extended Coverage Election Notice and Certificate of Coverage to the children losing eligibility.

A report showing the affected employees/retirees and dependents is available in your agency's FTP folder. The file is named PM9640 followed by your 5-digit agency code and a date suffix. As an example, the reference file would look similar to the following: PM9640-00nnn-10022006.txt (agency code = nnn). If this file is missing in your FTP folder, your agency did not have any dependents to be purged at year-end. Please note that the report was run on October 1, 2006 and does not include participants who were entered into the system after that date.

Both plans in the State Health Benefits Program will continue to allow children who are disabled and incapable of self-support to remain covered dependents as long as they remain disabled. The plans' provisions require that the following conditions must be met:

- the disability existed prior to the loss of eligibility due to age,
- the dependent remained continuously covered, continues to meet program eligibility criteria, and is unable to support him or herself, and
- the plan administrator approves continued coverage.

Application for continued coverage must be made within 31 days of the child's termination for the plans administered by Anthem. Individuals covered by Kaiser must make application to that plan prior to the termination of coverage. We strongly suggest that you encourage any participant whose child falls into this category to make application immediately.

If application for continued coverage for an adult disabled child is made and the approval is not received by December 31, the child will be removed from coverage. Upon approval for continuous coverage, the disabled dependent may be reinstated retroactively to January 1, 2007.

Enclosure