



## Affordable Care Act (ACA): How Can Families and Professionals Help Children with Special Needs Keep Insurance Coverage as they Age Out?

Families and professionals working with children with disabilities need to know about various insurance coverage options as children age out of programs. Choices may be different depending upon whether the insurance is employer-based, obtained through the Marketplace, or public insurance. NOTE: Children with special health care needs may be eligible for more than one type of plan.

### What is Dependent Coverage?

There are several ways families can keep their child under their plan. These are:

- Under the ACA (Affordable Care Act), families can continue health insurance coverage for their children until age 26, even if their children are living on their own. (See also Marketplace plans, below.)
- Some states have their own laws, which if more generous, would override federal requirements. For example, dependent coverage is available until age 31 in New Jersey if the dependent young adult is living at home, unmarried, etc.
- Using the “disabled dependent provision”, sometimes still called the “certification of the handicapped provision”, a child could be covered regardless of age as long as the parent is employed. Parents can ask their employer’s human resources department for the form, which is important to complete prior to age 18, since coverage, once suspended, cannot be restored.

### Marketplace Plans

As mentioned previously, families can continue dependent coverage until age 26 under the ACA. The Marketplace will only pick one type of plan (Qualified Health Plan {QHP} or Medicaid.) Families can apply for coverage during open enrollment periods, special enrollment situations (e.g. losing a job), or Medicaid anytime.

Adult children up to age 26 can stay on a parent’s plan even if they are:

- married
- not living with their parents
- attending school
- not financially dependent on their parents
- eligible to enroll in their employer’s plan

### Public Insurance

Medicaid provides coverage for individuals who have disabilities or low income. After age 18, the individual is seen as a “family of one” and parental income is no longer “deemed” as part of their income. States that expanded Medicaid under ACA have coverage starting at age 19. This may make it possible to transition from Medicaid for children or the Children’s Health Insurance Program (CHIP) to adult Medicaid, although this is not automatic, so it is necessary to apply. Some children may be eligible for a Medicaid waiver due to their medical status, regardless of family income.

Parents can contact their Maternal and Child Health Title V agency or their Family Voices/Family-to-Family Health Information Center (see Resources.) In most states, if a child is eligible Supplemental Security Income (SSI), which provides financial aid, they are also eligible for Medicaid.

Medicare offers coverage for individuals over age 65 or with certain disabilities. Medicare will cover children who have kidney disease and need dialysis or transplant. Disabled Adult Child (DAC) provisions allow eligibility for Medicare if the child was disabled before age 22 and a parent is disabled, retired, or deceased.

## Other Options for Health Coverage

**Catastrophic Plans:** People under age 30 are eligible for catastrophic health plans. The plans are called “catastrophic” as they protect against high costs of care for a major illness. The benefits are limited for both primary and preventive care. Catastrophic plans have fewer benefits than QHPs so may not be the best choice for people with disabilities.

**College Plans:** Students are not exempt from the requirement to have insurance that meets certain standards or else pay a penalty, but many college health plans qualify as coverage for this purchase. However, some of these plans may not have as many benefits as QHPs or may not qualify as creditable coverage under the health law. Students should check to see if they are eligible for tax credits to purchase a Marketplace plan. Note that, in states that have expanded their Medicaid program, students age 19 and older may qualify for Medicaid.

**Having More than One Plan:** A child may be eligible for a private employer plan as well as Medicaid and/or Medicare as mentioned previously. It is important that there is “coordination of benefits” for all plans to reduce costs for families. If a provider doesn’t participate in Medicare, the doctor can send their “opt-out” Medicare letter to the private insurance company with the bill. Families can even file claims this way (see Resources). Also, if a provider doesn’t participate in Medicaid but the child also has private coverage, the doctor can contact the insurance plan to find out how to bill “out of network” as secondary.

Families have options available to them as their children “age out.” By checking resources (see below) and contacting the organizations listed there, they can determine the best option for their child with disabilities.

This tip sheet is based on an ACA blog authored by Lauren Agoratus, M.A. Lauren is the parent of a child with multiple disabilities who serves as the Coordinator for Family Voices-NJ and as the southern coordinator in her the New Jersey Family-to-Family Health Information Center, both housed at the Statewide Parent Advocacy Network (SPAN) at [www.spanadvocacy.org](http://www.spanadvocacy.org).

More of Lauren’s tips about the ACA can be found on the website of the Family Voices National Center for Family/Professional Partnerships: <http://www.fv-ncfpp.org/>.