

Date: August 26, 2010

Code: HR 2010-10

To: CSU Presidents

From: Gail E. Brooks  
Vice Chancellor  
Human Resources



Subject: Extension of Health, Dental and Vision Benefits to Dependents up to Age 26

Overview

**Audience:** Human Resources Directors, Benefits Officers, and/or campus designee(s) responsible for benefits administration of health, dental and vision plans.

**Action Item:** Campuses must communicate information to affected employees.

**Affected Employee Group(s)/Unit(s):**

All non-represented and represented employees, eligible for enrollment in a CalPERS health plan; and all non-represented and specified represented employees as referenced below, eligible for enrollment in a CSU dental and/or vision plan, and also have eligible dependents as defined in this HR Letter.

Summary

The Patient Protection and Affordable Care Act (PPACA or Health Care Reform), HR 3590, was signed by President Obama on March 23, 2010, and was modified by the Health Care and Education Reconciliation Act (Reconciliation Act), HR 4872, which was also signed by President Obama on March 30, 2010.

The healthcare-related provisions implemented by the Health Care Reform will become effective over the course of the next four (4) years. The purpose of this HR policy is to provide information regarding the extension of health coverage to dependents up to age 26, effective January 1, 2011, as mandated by the Health Care Reform. This HR Policy also provides information on age 26 dependent coverage also extended to CSU dental and vision plans, and should be read in its entirety.

Background

The Patient Protection and Affordable Care Act (PPACA or Health Care Reform), HR 3590, was signed by President Obama on March 23, 2010, and was modified by the Health Care and Education Affordability Reconciliation Act (Reconciliation Act), HR 4872, which also was signed by President Obama on March 30, 2010. The healthcare-related provisions implemented by the Health Care Reform will become effective over the course of the next four (4) years.

The purpose of this HR policy is to provide information regarding the extension of health care coverage to dependents up to age 26, which is effective January 1, 2011, as mandated by the Health Care Reform. Please note: this mandate applies to health care only. Extension of dental and vision benefits is optional for an employer. However, the CSU has made a decision to also extend dental and vision benefits to eligible dependents up to age 26 for non-represented employees effective January 1, 2011. An offer to extend dental and vision coverage to dependents up to

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age 26 has been made to each Collective Bargaining Group Designee for represented employees, and the following have agreed to this provision:

- Union of American Physicians and Dentists (UAPD) (Unit 1)
- The California Faculty Association (CFA) (Unit 3)
- California State University Employees Union (CSUEU) (Units 2, 5, 7, 9)
- Academic Professionals of California (APC) (Unit 4)
- State Employees Trades Council (SETC) (Unit 6)
- State University Police Association (SUPA) (Unit 8)
- International Union of Operating Engineers (IUOE) (Unit 10)
- UAW – Academic Student Employees (Teaching Associates) (TA) (Unit 11)
- Service Employees International Union - Head Start (SFSU Only) (Unit 12)

Pursuant to the Health Care Reform, the CSU cannot charge these dependents a separate monthly premium for health care coverage. Therefore, the current rate structure of one-party, two-party and three-party coverage will remain the same for health plan coverage(s).

The CSU will maintain the current rate structures of the dental and vision plans for the 2011 plan year.

The extension of benefits for dependents up to age 26 applies also to the CSU Dental Plan for retirees, the CSU Retiree Voluntary Vision Plan and also to retiree health plan coverage through CalPERS.

No other benefits programs are affected by the age 26 dependent extension.

#### **New Eligibility Criteria**

Currently, dependent coverage for health, dental and vision is limited to age 23. Effective January 1, 2011, eligible dependents will include natural, foster, adopted, step, economically dependent (i.e., grandchild, niece or nephew and is subject to certification of economic dependency), or registered domestic partner's child or children up to age 26. Dependents are considered eligible even if they are married and/or do not reside in the employee's or retiree's home. Student status is not a factor in determining eligibility. In addition, dependents are eligible for coverage regardless of other alternative enrollment or availability of other employer-sponsored coverage.

Please note however, that the dependent's spouse or registered domestic partner or children (unless the child is certifiably an economic dependent of the employee as specified above) are not eligible for coverage under the CalPERS health plan, and CSU dental and vision plans.

A benefits technical letter with pertinent details regarding the extension of health, dental and vision benefits to dependents up to age 26 is forthcoming.

Questions should be directed to Michelle Hamilton at (562) 951-4411. This document is also available on the Human Resources Management's Web page at: <http://www.calstate.edu/HRAdm/memos.shtml>.

GB/mh