



Statewide Parent  
Advocacy Network

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***Empowered Families: Educated, Engaged, Effective!***

## **INSURANCE OPTIONS FOR YOUNG ADULTS**

Many families are wondering about options for health insurance for their children as they get older. There are many choices available ranging from continued coverage on their parent's plan, Medicaid/Medicare, college plans, or Qualified Health Plans which could include "catastrophic" plans on the Marketplace. This factsheet will describe each choice so families can pick the best plan to meet the needs of their youth/young adults. Please note that children with disabilities may be on more than one plan, including both public and private coverage.

**Continued coverage on a parent's plan:** Under the Affordable Care Act (ACA), parents can cover their adult children on their health insurance plan up to age 26, even if the young adult doesn't live at home and is married, as long as the young adult isn't offered health coverage through their employment. In NJ, dependent coverage continues until age 31 if the young adult is unmarried and still living at home. If a child has a developmental disability the parent can keep their young adult covered indefinitely regardless of age on their employer plan using the "disabled dependent provision" as long as that parent is employed. However, they must apply before age 18 because it cannot be reinstated once lost. Parents should ask their human resources department for the form before their child turns 18.

**Public Plans:** *Medicaid* covers people with low income or disabilities. In NJ, Medicaid and Supplemental Security Income (SSI-cash benefits) are linked so that the child would be eligible for both. Under age 18, eligibility depends upon the family income; after age 18 it is only based on the income of the adult child. Medicaid was recently expanded for NJ residents age 19-64. There is also the possibility of a Medicaid waiver (eligibility for Medicaid based on medical status even if the income is higher than typical Medicaid eligibility.) Due to the complexity of eligibility, families can check with Special Child Health Services, the Medicaid hotline, or the Medical Assistance Consumer Center (see Helpful Contacts below.) *Medicare* covers individuals over age 65 or people younger than 65 with certain disabilities. For example, Medicare will cover children and adults who need dialysis or a kidney transplant. If a child becomes disabled prior to age 22, they will also be eligible for Medicare if their parent is disabled, retired, or deceased. They are then considered a Disabled Adult Child (DAC.)

**A special note on coordination of benefits:** As mentioned above, a child may be eligible for a private employer plan as well as Medicaid and/or Medicare. It is essential to get as much coverage as possible if a child has special needs. If a child has more than one plan, it is important that doctors and drugstores bill all plans to reduce costs for families. Even if a doctor doesn't take Medicare, they can send their Medicare opt-out letter with the bill to the private insurance company or families can file claims (see Resources.) Even if a doctor doesn't take Medicaid, if the child has a private plan as primary, the doctor's office can call the plan to find out how to bill "out of network" as secondary. So even if a provider doesn't participate in public insurance such as Medicaid/Medicare, families who have both private and public insurance can ask the provider's billing department to pursue coordinating benefits with all plans. This will maximize reimbursement to the provider and also reduce costs to parents.

**Marketplace Plans:** Private insurance qualified Health Plans (QHPs) are available on the exchange or “Marketplace” under the Affordable Care Act (ACA). Families need to compare: cost of plans, co-pay per visit, out-of-pocket totals, financial help, and if costs are different outside of the plan’s “network.” The on-line, telephone, or in-person Marketplace process will only allow you to pick one type of plan (for example, QHP or Medicaid.) There are also “catastrophic” plans available but they are not recommended for children with special needs as they are “bare bones” policies only and would not have the best coverage.

**College Health Plans:** Students may be eligible for insurance coverage available by their college. However, like “catastrophic” plans, they have minimal benefits and may not provide the best coverage for students with disabilities.

Families now have a wide variety of options available to them as their children get older. Parents can gather information about the best coverage choice for their child with special needs.

### **Resources**

NJ Dependent Coverage

[http://www.state.nj.us/dobi/division\\_consumers/du31.html](http://www.state.nj.us/dobi/division_consumers/du31.html)

Medicaid

[www.njfamilycare.org](http://www.njfamilycare.org) or Spanish [http://www.njfamilycare.org/docs/facts\\_spanish.pdf](http://www.njfamilycare.org/docs/facts_spanish.pdf).

Medicare

- Eligibility-Social Security Administration [www.ssa.gov/pubs/EN-05-10026.pdf](http://www.ssa.gov/pubs/EN-05-10026.pdf) or Spanish [www.ssa.gov/pubs/ES-05-10926.pdf](http://www.ssa.gov/pubs/ES-05-10926.pdf)
- Claim form (even if doctor doesn’t participate)  
[www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS1490S-ENGLISH.pdf](http://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS1490S-ENGLISH.pdf)  
Spanish [www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS1490S-Spanish.pdf](http://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS1490S-Spanish.pdf)

Marketplace Plans (also click on Spanish)

- ❖ Qualified Health Plans-comparing costs  
<https://www.healthcare.gov/how-much-will-marketplace-insurance-cost/>
- ❖ Information on college and catastrophic plans  
<https://www.healthcare.gov/if-i-m-a-college-student-what-do-i-need-to-know-about-the-marketplace/>

Coordination of Benefits “When You Have Medicaid and Other Insurance”

[www.nj.gov/humanservices/dmahs/home/Medicaid\\_TPL\\_Coverage\\_Guide.pdf](http://www.nj.gov/humanservices/dmahs/home/Medicaid_TPL_Coverage_Guide.pdf)

### **Helpful Contacts:**

- Marketplace/Healthcare.gov questions  
<https://www.healthcare.gov/how-do-i-get-help-enrolling-in-the-marketplace/>
- Medicaid Hotline (800)356-1561
- Medical Assistance Consumer Centers (Medicaid)  
<http://www.state.nj.us/humanservices/dmahs/info/resources/macc/>
- Medicare-State Health Insurance Assistance Program counselors  
<http://www.state.nj.us/humanservices/doas/home/sashipsite.html>
- Special Child Health Services (up to age 21) <http://www.nj.gov/health/fhs/sch/sccase.shtml>
- Statewide Parent Advocacy Network [www.spanadvocacy.org](http://www.spanadvocacy.org) or (800) 654-SPAN