



FLASH UPDATE

January 29, 2015

Late last year Governor John Kasich signed legislation (House Bill 201 under the 130th General Assembly) that brings a couple of provisions of Ohio insurance law into line with Federal rules.

Eligibility definition changed to 30 hours for small groups

First, small groups in Ohio (i.e. those with 50 or fewer employees) had to offer health coverage to employees working at least 25 hours per week. Beginning for plans issued or renewed on or after January 1, 2016, coverage has to be offered to employees working at least 30 hours per week. That is, the definition of eligible employee for health coverage in the small group market will be an employee who works a normal work week of 30 or more hours rather than 25 or more hours. As you probably know, health care reform defines a full-time employee as working on average 30 hours per week so this change brings the Ohio rules in line with the Federal definition of full-time employee.

Adult children eligible for coverage to age 26

Second, fully insured health plans (and self-funded health plans maintained by churches and government entities) had to offer coverage to children until 28 under certain circumstances. Beginning for plans issued or renewed on or after January 1, 2016, these plans only have to continue coverage up to age 26. The Ohio law requires that (1) the child is unmarried (2) the child is the natural child, stepchild, or adopted child of the insured, (3) the child is an Ohio resident or a full-time student at an accredited public or private institution of higher education, (4) the child is not Medicaid or Medicare eligible, and (5) the child is not employed by an employer that offers any health benefit plan under which the child is eligible for coverage.

This new provision is somewhat confusing because the Federal law requires health plans to cover children to age 26 regardless of marital status, where the child lives or if the child has other coverage available. Therefore, it seems as though the Federal law will control. Stated another way, under the old Ohio rule the child was entitled to continue his or her coverage until age 28 if the child satisfied certain conditions (e.g. was a full time student). Once the new Ohio rules kick in, it appears the Federal law always will control and the child will be entitled to coverage until age 26 regardless of where the child lives, marital status, etc. Hopefully we will get some clarification before the new Ohio rules become effective (i.e. for plans issued or renewed on or after January 1, 2016).

