

# Continuing Health Benefits Coverage for Over Age Children with Disabilities

State Health Benefits Program and School Employees' Health Benefits Program

## TERMINATION OF COVERAGE FOR OVER AGE DEPENDENTS

A dependent child covered under your State Health Benefits Program (SHBP) or School Employees' Health Benefits Program (SEHBP) health plan becomes ineligible for continued coverage on December 31 of the year in which (s)he turns 23 years of age. However, an over age child who is disabled due to mental illness, mental retardation, or a physical disability and dependent upon you for support can remain covered as a dependent if the child's disabled status is approved.

## CONTINUATION OF COVERAGE FOR A CHILD WITH A DISABILITY

In the fall of the year in which a covered dependent child turns age 23, you are notified\* of the impending termination via a COBRA eligibility notice (see page 3 for more information). If the dependent child is physically and/or mentally unable to provide for him- or herself, the member can request a *Continuance for Dependent with Disabilities* form. The form and proof of the child's condition must be received by the Division of Pensions and Benefits, Health Benefits Bureau, **no later than 31 days** after the date coverage would normally end. Since coverage for over age children ends on December 31 of the year they turn 23, **you have until January 31 to file the *Continuance for Dependent with Disabilities* form.** To obtain this form, call the Division of Pensions and Benefits at (609) 292-7524, or write to:

Division of Pensions and Benefits  
Health Benefits Bureau  
PO Box 299  
Trenton, NJ 08625-0299

The *Continuance for Dependent with Disabilities* form includes a section to be completed by a physician describing the dependent's disability. The Medical Review Board must assess each case, and the Board will often request that the member provide additional medical documentation that the Board finds necessary to make an informed determination.

If the Medical Review Board determines that the dependent child is eligible for continued coverage, it may continue only while (1) you remain covered through the SHBP or SEHBP; and (2) the child continues to be disabled; and (3) the child is unmarried; and (4) the child lives with you and remains dependent on you for support and maintenance. You will be contacted periodically to verify that the child remains eligible for continued coverage.

### Date of Coverage

If the dependent is approved for continued coverage, and coverage has already been terminated, it will generally be reinstated retroactively to the date of termination. If, however, an extended period of time has elapsed between the termination and the member's application for continuance, coverage may be reinstated on a timely basis — that is, at the time of the Medical Review Board's determination.

It is advisable in either case to consider enrolling the dependent for continued coverage in either COBRA or Chapter 375, P.L. 2005 to ensure dependent coverage from January 1 until the Medical Review Board's decision. If the dependent's coverage is reinstated retroactively, premiums will be reimbursed.

### Board of Education Retirees

School board employees who are retiring with 25 or more years of service credit, and whose employers do not participate in the SEHBP, can request to

\*For members still employed, your employer will receive a listing of members whose dependents have turned age 23. The employer then sends the COBRA notification to their employees advising of the termination. Retirees are notified, by letter, directly from the Health Benefits Bureau regarding COBRA eligibility— provided the Health Benefits Bureau has a current address on file.

cover an over age dependent with a disability when applying for their own SEHBP retired group coverage. The process is the same as described on page 1, except that the SEHBP must also receive a letter from the board of education certifying that the dependent was covered by the board's group health insurance during the member's active employment up until retirement. Because SEHBP retired coverage is intended to be a continuation of previous employee coverage, the dependent will be denied coverage if not previously covered by the board of education's group health insurance.

### Local Police and Fire Retirees

Local retirees from the Police and Firemen's Retirement System, or law enforcement officer members of the Public Employees' Retirement System, who are eligible for enrollment in the SHBP under Chapter 330, P.L. 1997, can request to cover an over age dependent with a disability, when enrolling in SHBP retired group coverage. The process is the same as described on page 1, except that the SHBP must also receive a letter from the former employer certifying that the dependent was covered by the employer's group health insurance during the member's active employment up until retirement. Because SHBP retired coverage is intended to be a continuation of previous employee coverage, the dependent may be denied coverage if not previously covered by the employer's group health insurance.

For more information about Chapter 330, see Fact Sheet #47, *State Health Benefits Program Retired Coverage Under Chapter 330*. The fact sheet is available from the Division of Pensions and Benefits and over the Internet at: [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions)

### Employers Joining the SHBP or SEHBP

When an employer resolves to join the SHBP or SEHBP, over age dependent children with disabilities may be enrolled for coverage provided they were covered as a dependent under the employer's health plan immediately preceding entrance into the Program (the employer must certify that the dependent was covered under the former plan). The employee must request a *Continuance for Dependent with Disabilities* form and coverage must be approved by the Medical Review Board, based upon a determination of the child's disabled status.

### New Employees

New employees of a participating SHBP or SEHBP employer will not normally be able to obtain coverage for an over age dependent because providing this coverage would not represent a continuation of previous coverage. There are two exceptions to this rule. The first exception occurs when the former employer participates in the SHBP or SEHBP and the dependent is already covered in the program as an approved over age dependent. The second exception occurs when the new employee is transferring to the participating SHBP employer through the Intergovernmental Transfer Program, which is described below.

### Intergovernmental Transfer Program

Dependent children with disabilities who are age 23 or older may be enrolled for SHBP coverage when their parent(s) transfer public employment to a SHBP participating employer through the Intergovernmental Transfer Program. (The Intergovernmental Transfer Program provides the opportunity for New Jersey State and local government employees with permanent civil service status to transfer between State and local employment jurisdictions.) To be eligible, the child must have been covered as a dependent under the parent's health plan immediately preceding enrollment into the SHBP and a *Continuance for Dependent with Disabilities* form must be requested. Continued coverage is dependent upon a determination of the child's disabled status by the SHBP's Medical Review Board.

### **MEDICAL REVIEW BOARD APPROVAL**

**All determinations for the continuation of coverage are made by the Medical Review Board. Prior approval of an over age dependent from a previous insurer is not sufficient.**

### **COVERAGE FOR OVER AGE CHILDREN**

If the Medical Review Board denies continued health benefit coverage for your over age child, or if you wish to ensure that your child has some form of health benefit coverage while a decision by the Medical Review Board is pending, you should enroll your child for continued coverage under either COBRA or Chapter 375, P.L. 2005 coverage. Rates for COBRA and Chapter 375 coverage can change annually, be

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sure to compare the rates prior to enrolling in either program. To see a cost comparison, go to the Division of Pensions and Benefits Web site at:

[www.state.nj.us/treasury/pensions/cobrav375.htm](http://www.state.nj.us/treasury/pensions/cobrav375.htm)

**COBRA**

The year in which your dependent child turns age 23, you will receive a COBRA notification letter prior to the termination of the dependent's coverage, which is required by federal law. The notice outlines the right to purchase continued health coverage, gives the date coverage will end, and the period of time over which coverage may be extended (usually 36 months).

**Chapter 375**

Chapter 375 gives dependents over 23 and under 31 the opportunity to purchase continued coverage in exactly the same plan or plans (medical and/or pre-

scription drug) that the covered parent has selected. Chapter 375 does not cover vision and dental benefits; however, if your child wishes to obtain those coverages he or she must apply for them under COBRA during the eligibility period.

If coverage as a disabled over age dependent is reinstated retroactively, Chapter 375 or COBRA premiums will be reimbursed.

**Please Note:** The COBRA Application and/or *Chapter 375 Application for Coverage* must be filed **within 60 days** of the dependent's loss of coverage.

If you need information concerning COBRA coverage, see Fact Sheet #30, *Continuation of Insurance Under COBRA*. For more information about Chapter 375 see your employer or Fact Sheet #74, *Coverage of Children to Age 31, under Chapter 375, P.L. 2005*. The fact sheets are available from the Division of Pensions and Benefits Web site at:

[www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions)

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This fact sheet is a summary and not intended to provide total information.

Although every attempt at accuracy is made, it cannot be guaranteed.

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