



Illinois Insurance Facts

Health Insurance Continuation Rights – Dependent Children

Illinois Department of Insurance

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Note: This information was developed to provide consumers with general information and guidance about insurance coverages and laws. It is not intended to provide a formal, definitive description or interpretation of Department policy. For specific Department policy on any issue, regulated entities (insurance industry) and interested parties should contact the Department.

With the high costs of medical care, maintaining health coverage is considered important to everyone. Illinois law does not require employers to provide health benefits for their employees or their families. However, if you are covered by an employer's health benefits, the loss of coverage can be devastating.

State and federal laws give certain employees, spouses and dependent children the right to continue employer-sponsored health benefits at group rates if they lose their benefits because of specific “qualifying events.” The type of policy, your employer and qualifying event will determine who is qualified for continuing coverage and for how long.

This fact sheet provides **specific information** on the **Illinois Dependent Child Continuation Law** and compares its basic provisions to three other continuation laws: the [Illinois Spousal Continuation Law](#), the [Illinois Continuation Law](#) and the federal continuation requirements under [COBRA](#) (the Consolidated Omnibus Budget Reconciliation Act). The chart at the bottom of this fact sheet provides a comparison of the laws pertaining to continuation of health benefits.

Under all four laws:

- The employer or plan administrator must notify you of your right to continue your health benefits when certain **qualifying events** have occurred. If both the state and federal laws apply to your situation, the employer or plan administrator must offer you both options. You must choose one or the other option.

NOTE: In some cases, the spouse, former spouse, dependent child or guardian must notify the employer and/or insurer that a **qualifying event** has occurred, such as divorce from or death of the covered employee or attainment of the limiting age by the dependent child. If you don't give proper notification, your continuation rights may be lost.

- Once you are offered continuation, you must elect to continue coverage within a certain time period, called the **election period**. If you don't inform the employer you want to continue coverage before the election period expires, you may lose that

right. If you have the option of either the state or federal continuations, once you make your choice, you can't change your decision if the **election period** has expired.

- Coverage will continue for the maximum amount of time required by law. However, coverage can end earlier in some cases, such as when the beneficiary becomes eligible for Medicare, if the employer no longer offers any group health insurance benefits for employees, or if you secure insurance through other means.
- You must pay the **entire premium** for the coverage, including the part the employee used to pay as well as the part the employer paid before the qualifying event. In addition, you may also be required to pay an administrative fee under certain circumstances for COBRA and Spousal Continuation.

The group insurance certificate, evidence of coverage or benefit plan summary booklet explains your options and responsibilities in detail. You should read the information now. Don't wait until you need your continuation rights.

What Is The Illinois Dependent Child Continuation Coverage Law?

The Illinois Dependent Child Continuation Law, effective July 1, 2004, protects dependent children who lose their group health insurance coverage with an employer group of **any size** due to:

- Attainment of the limiting age under the policy; or
- The death of the insured parent (and coverage is not available under the Spousal Continuation Law.)

A copy of the law is available, [215 ILCS 5/367.2-5](#)

Which Plans are Subject to the Dependent Child Continuation Coverage Law?

- Employers offering fully insured Illinois group and accident health plans, regardless of the group's size;
- Employers offering fully insured Illinois HMO coverage, regardless of the group's size.

The Illinois Dependent Child Continuation law does not apply to:

- Self-insured employers;
- Self-insured health and welfare benefit plans, such as union plans;
- Insurance policies or trusts written in other states.

Note: For HMOs, the law applies to contracts written outside of Illinois if the HMO member is a resident of Illinois and the HMO has established a provider network in Illinois. To determine if your HMO coverage provides Illinois continuation, contact the HMO or check your certificate of coverage.

Who Is Eligible For Illinois Dependent Child Continuation Coverage?

Continuation of coverage must be offered to eligible dependents covered under group coverage on the day before the qualifying event.

Illinois dependent child continuation does not apply if:

- The child is eligible for coverage under the Illinois Spousal Continuation Law.

What Are The Notification Deadlines?

The **dependent child or responsible adult** acting on behalf of the dependent child must notify the employer or the insurer in writing of the qualifying event within **30** days of the event.

How Much Will Illinois Dependent Child Continuation Coverage Cost?

The premium for Illinois dependent child continuation coverage shall be the sum of the amount that would be charged to an employee (if the dependent child were an employee) plus any contributions the employer would have made on behalf of the employee.

What Benefits Are Available Under Illinois Dependent Child Continuation Coverage?

Benefits for hospital, surgical or major medical are the same as they were under the previous group coverage.

How Long Does Illinois Dependent Child Continuation Coverage Last?

Continuation coverage must be provided for a maximum of two years after the date the insurance stops because of attainment of the limiting age or death of insured parent.

Continuation coverage may terminate earlier than two years:

- If premiums are not made in a timely manner;

- When coverage would terminate under the terms of the policy if the dependent child was still an eligible dependent of the employee, such as when the employee terminates employment with the employer;
- When the dependent child becomes an insured employee under any other group health plan.

What Happens When Illinois Dependent Child Continuation Coverage Ends?

The dependent child may convert coverage to an individual policy at any time during the continuation period or at the end of the period. Coverage may be purchased on the Health Insurance Marketplace during annual open enrollment (usually November 15 through February 15) even if the continuation coverage has not yet expired; however, that coverage will have to be terminated at that time.

Alternatives to Dependent Child Continuation Coverage

There may be other more affordable coverage options for the dependent child through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options. All options should be reviewed carefully.

It is important to understand that Dependent Child Continuation coverage is retroactive back to the date of loss of coverage whereas Marketplace coverage is prospective. Federal rules provide a 60 day advance period for individuals who know they will be losing employer coverage to apply for coverage on the Health Insurance Marketplace to avoid a lapse. This is especially important if the dependent child is receiving medical treatment. If there is no advance notice of the loss of coverage, signing up for a Marketplace plan may create a brief lapse in coverage due to the fact Marketplace policies may not begin for several weeks.

If the Dependent Child Continuation coverage is chosen over a Marketplace insurance plan, the dependent child may not buy coverage through the Marketplace until (1) the next Marketplace Open Enrollment Period; (2) a qualifying event occurs which makes the dependent child eligible for another SEP, or (3) the Dependent Child Continuation coverage expires. Non-payment of the Dependent Child Continuation insurance is not a qualifying event for an SEP on the Marketplace.

For more information regarding the Health Insurance Marketplace insurance please go to www.healthcare.gov, www.getcoveredillinois.gov or (866) 311-1119.

Illinois Comprehensive Health Insurance Plan (ICHIP)

The ICHIP is for federally eligible individuals covered under HIPAA. Coverage is for Illinois residents only who meet the following criteria:

- Have a total of 18 or more of months of creditable coverage and who have no more than a 90 day break between periods of creditable coverage.
- The most recent creditable coverage was provided under a group health plan, government or church plan.
- May not be eligible for group health coverage, Medicare or Medicaid and may not have any other health insurance coverage.
- The most recent coverage must not have been terminated due to non-payment of premium or fraud.
- All other federal COBRA requirements and state continuation options have been elected and exhausted.

For more information regarding the ICHIP program please visit www.chip.state.il.us or call (866) 851-2751

For More Information on Illinois Dependent Child Continuation Coverage Law

Call our
Office of Consumer Health Insurance
Toll free at (877) 527-9431 or
Visit us on our website at <http://insurance.illinois.gov>

Related Topics:

[Health Insurance Continuation Rights -- COBRA](#)

[Health Insurance Continuation Rights – Illinois Law](#)

[Health Insurance Continuation Rights -- Illinois Spousal Law](#)

Comparison of Continuation Laws – Illinois Department of Insurance

	COBRA	Illinois Continuation (mini-COBRA)	Illinois Spousal Continuation	Dependent Continuation
Applicability	Applies to employer groups with 20 or more employees.	Applies to all group HMO and insurance policies which insure employees or members for hospital, surgical or major medical insurance.	Applies to all group accident and health and group HMO policies.	Applies to all group accident and health and group HMO policies.
Who Is Eligible	Employee, spouse or former spouse and/or covered dependent children.	Employees and covered dependents.	Divorced or widowed spouses (any age) and covered dependent children. Spouses (age 55 or older) of retired employees, and covered dependents.	Covered dependent children of deceased employee, who are not otherwise covered under the Spousal Continuation Law. Covered dependent children who attain the limiting age under the insurance policy or HMO certificate.
Coverage Requirements	Must be covered by the group plan on the day prior to the qualifying event.	Employee and covered dependents must be covered on the group plan for 3 continuous months before qualifying event.	Spouse and dependents must be covered on the day prior to the qualifying event.	Dependent child must be covered on the day prior to the qualifying event.
Qualifying Events	<p>For employee, spouse, former spouse & covered dependent children upon:</p> <ol style="list-style-type: none"> 1. Termination of employment; 2. Reduction in employee's hours. <p>In addition, for spouse, former spouse & covered dependent children upon:</p> <ol style="list-style-type: none"> 1. Employee's eligibility for Medicare; 2. Divorce or legal separation from employee; 3. Death of employee; <p>In addition, for covered dependent children upon:</p> <ol style="list-style-type: none"> 1. Loss of dependent child status under plan. 	Loss of coverage due to termination of employment or reduction in hours below the minimum required by the group plan.	<p>Must be offered to divorced spouse or widowed spouse and dependent children upon divorce from or death of employee.</p> <p>Must be offered to spouse (age 55 or older) and dependent children of retiree upon employee's retirement.</p>	<p>Must be offered to dependent child after death of insured if coverage is not available under the Spousal Continuation Law.</p> <p>Must be offered to dependent child upon attainment of limiting age under the insurance policy or HMO certificate.</p>

<p>Benefits</p>	<p>Coverage must be the same as under the group plan.</p>	<p>Coverage must be the same as under the group plan but need not include dental, vision or prescription drugs.</p>	<p>Coverage must be the same as under the group plan.</p>	<p>Coverage must be the same as under the group plan.</p>
<p>Length of Continuation Coverage</p>	<p>Loss of employment or reduced hours – maximum of 18 months. May be extended to 29 months if disabled. Divorce or legal separation from employee, death of employee or employee entitled to Medicare – maximum of 36 months for spouse, former spouse and dependent children. Loss of dependent child status-maximum of 36 months.</p>	<p>12 months</p>	<p>Spouse under age 55 – Divorced or widowed spouse (not spouse of retiree) and dependent children – Coverage is provided for maximum of 2 years. Spouse age 55 or older – Divorced or widowed spouse or spouse of retiree and dependent children – coverage is provided until spouse is eligible for Medicare.</p>	<p>Coverage is provided for a maximum of 2 years.</p>
<p>Premiums</p>	<p>Premium may not exceed 102% of group rate. Plan may charge 150% after 18 months if the 11-month extension for disability is granted.</p>	<p>Premiums may not exceed the group rate.</p>	<p>Spouse under age 55 – Divorced or widowed spouse premium may not exceed the group rate. Spouse age 55 or older – Divorced or widowed spouse or spouse of retiree, administration fee may be added to group rate after first two years of coverage.</p>	<p>Premiums shall not exceed the amount that would be charged to an employee if the dependent child was an employee PLUS the amount the employer would contribute toward the premium if the dependent child were an employee.</p>