Legislative Brief

Health Care Reform: Does Extension of Coverage for Adult Children up to Age 26 Apply to Dental and Vision Plans?

Dental-only and vision-only plans are not required to comply with extension of dependent coverage to age 26.

The health care reform provisions of PPACA apply to group health plans, both fully insured and self-funded plans. Some of the health reform provisions include the prohibition on annual and lifetime limits and the requirement to cover dependent children to age 26. These provisions amended the HIPAA portability provisions of the Public Health Service Act (PHSA), which already contained several exceptions (often referred to collectively as "excepted benefits").

One of the "excepted benefits" includes Limited Scope Benefits, which are considered benefits that are not an integral part of a group health plan. Examples of these benefits include limited-scope dental and vision benefits, for which a separate election must be made for benefits provided under a policy separate from the medical policy.

Stand alone dental and vision benefit plans are excluded from the Health Care Reform requirement to cover dependents up to age 26 since they fall under the "limited scope" benefits exception. However, employers can voluntarily choose to comply with one or more provisions of reform for dental or vision plans (i.e. overage dependents), if the carrier amends their contract.

Employers should review your dental and vision contracts as it relates to dependent eligibility:

- If your contract reads, "dependents up to age 23", or "dependents up to age 19, or 23, if full-time student," then the carrier will continue to administer those dental and vision policies and monitor full-time student status.
- If the dependent has aged out or no longer meets the eligibility requirements of the dental or vision policy, a COBRA notification must be sent for the dental and/or vision benefits within the applicable period of time by law. Under Health Care Reform, the dependent may remain on the group medical plan as a dependent up to age 26, as long as the parent still meets eligibility requirements.
- If you offer a vision benefit as a rider under your medical plan (i.e., hardware reimbursement), the dependent would be able to access that vision benefit if enrolled in the medical plan up to age 26, as long as the parent still meets the eligibility requirements.
- Most dental and vision carriers can adjust dependent eligibility up to age 26, so the eligibility rules are consistent with the medical plan. If the carrier allows for this provision, your contract would need to be amended upon your renewal. Since the dental and vision carriers are not required to mirror the requirements of health reform, they have the ability to increase the rates to accommodate for this provision.


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