

Memo

date: November 4, 2009

to: All Employees, Retirees and Participants Receiving Long-Term Disability Benefits

from: Denise J. DiMeglio
Manager, Benefits

subject: The Young Adult Option for Healthcare Coverage

Over the past few months, you may have heard about a new option in New York State to enroll children up through age 29 for healthcare coverage under your employer's plan. We have just received clarification of the new law and its applicability. It is referred to as the Young Adult Option and is effective January 1, 2010.

Applicability

This legislation only applies to our fully insured medical plans (Aetna and HIP). It does not apply to our self-insured medical plans (CIGNA and Vytra) or any dental plans.

Coverage

The legislation allows an eligible dependent child (who loses healthcare coverage before age 30 due to the plan's age limit) to be eligible to continue coverage up through age 29 under a parent's health insurance policy.

The dependent child must enroll for the same coverage that you have through BSA. If you are enrolled in the CIGNA or Vytra medical plans, your dependents are not eligible for this coverage (nor can you change your coverage to another plan except during the annual open enrollment period).

If you do not have coverage under the healthcare plan(s) your dependent is not eligible to enroll. If you lose eligibility for any reason under the healthcare plan(s), your dependent will also lose eligibility for his/her coverage.

Eligibility

To be eligible for coverage under this law, your child does not need to live with you, be financially dependent on you, or be a student. The dependent must be the insured's child (by blood or law). However, at all times while the dependent coverage is in force, he/she must:

- Be unmarried;
- Be 29 years of age or younger;
- Not be insured by or eligible for health benefits through his/her own employer;
- Live, work or reside in New York State or our service area; **and**
- Not be covered by Medicare.

Please note that the dependent will not be included under your coverage, but will instead receive his/her own coverage. This means that the dependent will need to separately meet any deductibles and coinsurance maximums, if applicable, and will be subject to separate plan benefit maximums.

Enrollment

If your dependent has reached the maximum benefits age under BSA's fully insured health plans before 1/1/2010, he/she has 12 months (1/1/2010-12/31/2010) to enroll for coverage. This is a Special Open Enrollment Period.

If your dependent is not eligible for this coverage before 1/1/2010, the dependent may enroll in the future within 60 days of a change in circumstances resulting in him/her meeting the eligibility criteria.

Also, an eligible dependent that does not initially enroll may enroll in the future during the annual open enrollment period.

Cost

The cost of coverage will be the full monthly premium payment amount for individual coverage. For 2010, the individual monthly premiums are as follows:

<u>Group</u>	<u>Medical Plan</u>	<u>Monthly Premium</u>
IBEW Union hired before 8/1/06	Aetna	\$711.76
IBEW Union hired before 8/1/06	HIP	\$578.22
All other employees	Aetna	\$658.57
All other employees	HIP	\$470.94

Please note that eligible dependents must request the continued coverage in writing to the Benefits Office and pay the full monthly premiums for the coverage.

Termination of Coverage

The dependent's continued coverage will end on the earliest of any of the following events:

- Dependent's 30th birthday
- The date the parent is no longer covered under the plan
- The date the dependent does not meet the eligibility requirements for the continuation outlined above
- The date the premium due is not paid
- The date on which the group plan ends or the date the employee's employer terminates participation under the group plan.

Termination of coverage under The Young Adult Option does not trigger an independent right to federal COBRA or New York state continuation of benefits.

Alternatives

Parents and their dependent children should carefully consider alternatives available for healthcare coverage including individual healthcare plans available through insurance companies or brokers or the Healthy New York program available through New York State at 1-866-432-5849 or

<http://www.ins.state.ny.us/website2/hny/english/hny.htm> .

You may find significant differences in cost and coverage and should carefully weigh your options.

Assistance

If you have any questions, please contact the Benefits Office at 631-344-2881, 631-344-2877 or 631-344-5126.