

August 4, 2010

Jim Mayhew
Office of Consumer Information and Insurance Oversight
U.S. Department of Health and Human Services
P.O. Box 8016
Baltimore, MD 21244-1850

Attention: OCIO-4150-IFC

Dear Mr. Mayhew:

On behalf of First Focus, I appreciate the opportunity to comment on the Interim Final Rule (IFR) for Group Health Plans and Health Insurance Issuers Relating to Dependent Coverage of Children to Age 26 under the Patient Protection and Affordable Care Act (PPACA) (45 CFR Parts 144, 146, and 147). First Focus is a bipartisan children's advocacy organization dedicated to making children and families a priority in federal policy and budget decisions. Our core mission is to ensure that all of our nation's children are able to get the services they need and deserve.

First and foremost, we applaud the provisions of the IFR which will ensure coverage for millions of young Americans up to the age of 26. As you are no doubt aware, approximately 30 percent of young adults are currently uninsured, representing more than one in five of uninsured Americans. This rate is higher than any other age group. Many young adults lose coverage as they transition into the job market, because they are often employed in entry-level jobs, part-time jobs, or jobs in small businesses that do not offer an employer-sponsored health coverage option. By allowing young adults to stay on their parents' health plans until age 26, this regulation is a critical step toward ensuring that all of our nation's young adults have access to affordable health coverage.

First Focus offers its full support for the provisions of the IFR which clarify that health plans may not exclude dependents under age 26 from coverage based on their tax dependent status, residence with parents, marital status, or student status. In addition, we are pleased that health plans may not apply additional costs or surcharges to coverage for the young adult population. These provisions are essential to ensure that coverage is not only available for young adults, but as important, affordable so that families are able to actually access this option.

We are concerned, however, that the IFR does not restrict a plan's flexibility to define who is a child for purposes of determining which children are eligible for dependent coverage. In fact, the IFR specifies that plans may define a "dependent" for purposes of eligibility for coverage based on the relationship between the child and the plan participant. The IFR also specifies that plans are not required to cover the children of young adults receiving dependent coverage, stating specifically that coverage is not required for a plan participant's grandchildren. Consequently, these provisions allow plans to exclude coverage for young adults who are stepchildren, adopted

children, young adults who are grandchildren in kinship care with their grandparents, and young adults who are in kinship care with their aunts, uncles, or other family members.

While it is clear that other parts of the IFR will greatly increase access to health insurance coverage for young adults, we are concerned that as currently drafted the IFR excludes some of our most vulnerable young people from much-needed coverage. We urge you to revise the IFR to ensure that the regulation includes a basic definition of dependent that also requires an offer of coverage for stepchildren, adopted children and children in kinship care arrangements.

In addition, we also request that the Administration clarify the provisions of the IFR that permit so-called grandfathered health plans not to offer dependent coverage for young adults who are eligible to enroll in employer-sponsored coverage. Specifically, we are concerned that as currently drafted young adults who have entered the workforce but are subject to a waiting period for employer-sponsored coverage may not be deemed as eligible to continue on their parents' health plan. Because it is not uncommon for a young person entering the workforce to be subject to a waiting period before an offer of coverage goes into effect, we urge the Administration to clarify that a young adult continues to be eligible for the dependent coverage option until the point at which their employer-sponsored coverage becomes effective.

We applaud the Administration for all of its efforts to ensure improve access to care for everyone in America, including our children. We are grateful for the opportunity to comment on this important policy for our nation's young people. We would be happy to provide any additional information you may require.

Sincerely,



Bruce Lesley
President