

Health Care Law Exempted Retiree Health Plans from Coverage Requirement

Washington, DC -- Congressman Maurice Hinchey (D-NY) today introduced legislation to allow parents who have health care coverage through retiree health plans to extend that coverage to their adult children up to age 26. Retiree-only plans were exempted from many of the provisions of the Affordable Care Act, including the dependent coverage provision that allowed children to stay on their parents' health care plan through age 26.

"The ability for a young adult to remain on their parent's health insurance plan is one of the most important reforms contained in the Affordable Care Act," said Hinchey. "Yet, despite this widely touted benefit, it does not extend to the nearly 6.5 million Americans who rely on retiree only plans as their primary form of health care insurance. Retirees who had hoped to add their child back onto their health insurance plan cannot do so and many young adults are being left without adequate health care coverage as a result. This bill changes all of that and will ensure that young adults of retired parents -- many of whom are having a hard time finding a job or a job that provides health insurance to its employees -- have a way to be covered in case they get sick or injured."

Hinchey was alerted to the problem by three different constituents who were denied the ability to add their children to their health care policies. All were former IBM employees who were provided retiree health benefits as a benefit of early retirement. The legislation introduced today has seven original cosponsors: Reps. Bob Filner (D-CA), Lacy Clay (D-MO), Jesse Jackson (D-IL), Charles Rangel (D-NY), Louise Slaughter (D-NY), Gwen Moore (D-WI), and Rush Holt (D-NJ).

Hinchey voted to pass the Affordable Care Act, noting that the bill was not perfect and would require substantial improvements. Hinchey has targeted several areas where the Affordable Care law could be improved to further lower costs and improve the system as a whole. Notably, he focused on allowing for the negotiation of prescription drug costs through Medicare to save \$156 billion over ten years and expediting the time frame for implementing provisions that reduce prescription drug costs and reduce Medicare fraud. The congressman has also cited a need for an expedited timeframe with regard to provisions that create greater choice and competition and noted his continued support for a public option that the Congressional Budget Office says would further reduce costs.