

Health Care Reform Frequently Asked Questions

June 9, 2010

Q1. When will Delta start implementing the provisions of the recently passed healthcare legislation into our medical plan options?

Since the healthcare legislation was passed, Delta has been conducting a thorough review of the new law in order to fully understand how it will impact large employer, self-funded health plans like ours. As with any complex legislative changes, the appropriate government entities will continue to release regulations and clarifications over the coming months and years that will assist us in determining the direction we will take on these changes. However, the reform legislation goes into effect over a number of years, with the first of such changes being effective for plan years following 9/23/10; therefore, based on our plan year, no changes are required until January 1, 2011 at the earliest.

Q2. One of the initial requirements is that coverage for my child be extended until their 26th birthday. When will I be able to enroll my child who is still under age 26?

Employees will have the opportunity to enroll an eligible child who is under the age of 26 during this fall's Open Enrollment. The coverage will go into effect on January 1, 2011.

Q3. I have heard that UnitedHealthcare (UHC), our health plan administrator, has already released a statement indicating they will start covering dependents under age 26 this year. Is this right?

Yes, UHC, as well as most of the other large health insurance companies at the request of the Department of Health and Human Services is implementing this requirement this year for participants enrolled in their fully insured medical plans. This also helps generate additional revenue for them. Keep in mind though; they are only covering currently enrolled dependents who are graduating from an accredited college, university, or trade school after 4/19/10. Dependents that have already dropped off the plan due to graduating or aging out must wait until January 1, 2011 to re-enroll.

Q4. Why does this not apply to me since I am enrolled in a UHC medical option?

The funding arrangement Delta has with UHC is different. The health plans provided by Delta, administered by UHC, are self-funded. This means Delta pays and is at risk for all medical claims paid for our employees and their dependents. UnitedHealthcare, while at risk for all claims incurred by plan participants under their fully insured medical plans, also profits on the premiums paid for each covered participant. Delta is not profiting from any premiums paid by our employees. These funds help offset the cost of the medical claims incurred by our employees and their dependents.

Q5. If Delta is responsible for decisions about the Plan provisions, why can't the age 26 requirement be implemented earlier for Delta employees as well?

As mentioned above, since Delta is self-insured we incur the cost associated with implementing this change. There will be no additional cost to the employee for adding their under age 26 dependent to their Delta medical plan with the exception of that it might affect which coverage category you enroll in; (i.e. you go from employee only to employee + child coverage). In addition, there are technology and administrative concerns that must be worked through as part of this implementation.

Q6. Are other airlines and/or large employers implementing this dependent change for their employees now or are they also waiting until January 1?

Our research has indicated that most airlines and other large employers are also waiting until January 1 to implement this change for the same reasons detailed above.

Q7. I know the legislation only requires my under age 26 dependent to be offered medical coverage.

What about dental and vision benefits?

Delta will offer dental and vision benefits to the under 26 dependents during Open Enrollment as well.

Q8. I have a covered dependent that has graduated from college this year and is turning age 23. What do I do to continue their coverage now until I have the opportunity to enroll them this fall for next year?

COBRA coverage will continue to be offered to all eligible dependents in this situation. COBRA permits your child to remain on Delta coverage until dependent coverage is again available.

Q9. How will my dependent be covered beginning January 1? Will they be set up separate from my coverage, or will they just continue to be covered as one of my eligible dependents?

Under age 26 dependents will be treated as any other eligible dependent for health coverage purposes. For 2011, employees may add their under age 26 dependent to their health coverage through employee + child, or employee + family coverage. This may increase your premium level since your coverage category may change as a result of adding that adult child (i.e. you go from employee only to employee +child).