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The New York Times

For Insurance, Adult Children Ride Piggyback[Jennifer 8. Lee](#). [New York Times](#). (Late Edition (East Coast)). New York, N.Y.: [Sep 17, 2006](#). pg. 1.1>> [Jump to full text](#) >> Translate document into: >> [More Like This](#) - Find similar documentsAuthor(s): [Jennifer 8. Lee](#)

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The availability of health **insurance** in the workplace has become a problem for young **adults**. One reason employers are reluctant to hire full-time employees is the rising cost of health **insurance** and other benefits. The percentage of employers offering health **insurance** dropped to 60 percent in 2005, down from 66 percent in 2000, according to a survey of employers conducted by the Kaiser Family Foundation.

Health **insurance** companies have been supportive of the age extensions that funnel additional premiums into the system, because they are looking for ways to keep young **adults** in the **insurance** pool, said the assemblyman who sponsored New Jersey's bill, Neil M. Cohen. "They can use that new revenue to make adjustments in the rest of the market," said Mr. Cohen, a Democrat of Roselle.

Bob and [Deborah Shinn], of Wall Township, in New Jersey, pay several hundred dollars a month to add [Hilary Shinn], 23, to her father's health plan. (Photo by Joseph J. Delconzo for The [New York Times](#)); [Tom Donatelli], a 29-year-old freelance cameraman from Brooklyn, decided not to carry health **insurance**. "If I have extra money, then it's going to go toward debt that I already have, not debt that I might have," he said. (Photo by Suzanne DeChillo/The [New York Times](#))(pg. 29)

Full Text (1518 words)*Copyright New York Times Company Sep 17, 2006*

Not only are children moving back home after college and asking Mom and Dad for monthly subsidies, but in a growing number of states children can now stay on their parents' health insurance plans well into their 20's.

Call it another example of adolescence. With 18- to 34-year-olds the fastest growing group of uninsured, states are extending the time that children can be a dependent for insurance purposes.

In New Jersey, which this year enacted the highest age limit, children can "piggyback" until they turn 30, as long as they live in the state and don't have their own children.

The trend stems from a concern that a healthy -- and profitable -- segment of the population is dropping out of the insurance pool. About half of all states have studied such proposals, and at least nine have passed laws, eight of them since 2003 and three just this year, according to the National Conference of State Legislatures.

Hilary Shinn, 23, of Wall Township, N.J., who likes competitive surfing and snowboarding, was graduating from [Rutgers University](#) last spring and had not decided whether she would have health insurance.

"I'm a little accident-prone," said Ms. Shinn, who had a skateboarding accident on her way to her last class in May. "It didn't really hit me until my mom brought it up: 'Hey, you are not going to be covered when you graduate. Let's figure something out.' "

The New Jersey law allowed Ms. Shinn, who started graduate school at [Monmouth University](#) this semester, to stay on her father's plan, for an additional premium.

In contrast, a number of her friends are now without health insurance. "If they get sick, they just don't address it, on the hope it will go away," she said.

About 30 percent of adults ages 18 to 24, and more than one-quarter of adults 25 to 34, are uninsured, though the average for all age groups is 16 percent, according to figures released by the Census Bureau in late August.

It is not known how many people have taken advantage of extended coverage, because policies are administered by private companies and most of the changes have only recently taken effect.

The rise of uninsured young adults results from two main economic forces, analysts say. Changes in the workplace mean that fewer jobs now have full benefits, which disproportionately affects the newest workers. In addition, the rising cost of premiums, whether shared with an employer or paid individually, makes insurance less attractive to a relatively healthy population.

"It's different from a generation ago," said Katherine Swartz, a professor of health policy at [Harvard University](#) who is the author of "Reinsuring Health," a new book on the uninsured population. "We have so many people not used to having health insurance."

For years, children have been allowed to stay on their parents' health insurance until they turned 19, or until they turned 22 or 23 if they remained full-time students.

Some of the laws extending the age of coverage allow insurers to charge extra premiums, which vary depending on the plan. They also have various restrictions, sometimes requiring that the child be a full-time student, be unmarried, reside in the state or even live with the parents.

In general, these laws do not apply to insurance plans financed by the employer -- as opposed to plans in which the employer buys coverage from an insurance company -- because self-insured plans, favored by some larger companies, are shielded from state rules and laws under the 1974 federal Employee Retirement Income Security Act.

Ms. Shinn's family pays several hundred dollars a month to add her to her father's plan, which is through his employer, Systems Technology, a satellite communications company. She could have bought insurance on her own for a similar price, but her father's plan provides better coverage, said Deborah Shinn, her mother.

"I know that our children, if they didn't have family behind them, would never have an affordable choice," said Mrs. Shinn, who has four children. "Between car insurance and just buying books for schools and normal day-to-day expenses, I really feel that she would never be able to earn enough income to cover the things that are important for us to have in place for her."

Before this year, laws extending health coverage were passed in Colorado, Massachusetts, New Mexico, South Dakota and Texas. Utah, where young Mormon men commonly complete two years of missionary work, passed the first law, in 1994. The governors of Delaware and Rhode Island signed such laws last July.

New York State has three bills in legislative committees to raise the age limit for children to 25, with various restrictions. Connecticut has a similar proposal in committee.

The availability of health insurance in the workplace has become a problem for young adults. One reason employers are reluctant to hire full-time employees is the rising cost of health insurance and other benefits. The percentage of employers offering health insurance dropped to 60 percent in 2005, down from 66 percent in 2000, according to a survey of employers conducted by the Kaiser Family Foundation.

Thus, new graduates, from both high school and college, are entering a job market that is increasingly characterized by consulting, freelance and contract jobs.

And many employers that still offer insurance are asking employees to shoulder a higher share of the premiums, another reason young adults decline coverage, said Laura Tobler, a health policy analyst for the National Conference of State Legislatures. "It's a cost-benefit analysis," she said.

As a result, she said, states are "looking for ways to reach out to these folks and doing it in the least expensive way possible."

Brian Merritt, a freelance technology consultant for a Fortune 500 company in New York City, checked on buying his own health insurance from the Freelancers Union but decided it was not worth the cost of nearly \$200 a month.

"Basically, I'm a healthy 31-year-old male," he said. "The last three times I went to the doctor, everything was O.K. So I haven't felt the need for insurance."

He acknowledged the risk. "If I trip on the sidewalk and fall and break my arm, I guess I am out of luck," Mr. Merritt said. "Not only am I out medical costs, I can't work."

Other young adults said they had more pressing financial priorities. Tom Donatelli, a 29-year-old freelance cameraman from Brooklyn, is eager to reduce his credit-card and other debt. "If I have extra money, then it's going to go toward debt that I already have, not debt that I might have," he said.

Health insurance companies have been supportive of the age extensions that funnel additional premiums into the system, because they are looking for ways to keep young adults in the insurance pool, said the assemblyman who sponsored New Jersey's bill, Neil M. Cohen. "They can use that new revenue to make adjustments in the rest of the market," said Mr. Cohen, a Democrat of Roselle.

Susan Pisano, a spokeswoman for America's Health Insurance Plans, an industry group, said that while insurance companies generally did not oppose laws that extend the age limit by a couple of years, New Jersey's law, with the age ceiling of 30, might take it too far.

"The law in New Jersey has the potential to drive up health care costs for employers, whereas the other ones do not depart as radically from the current situation in those states," Ms. Pisano said. "Our members have been comfortable with what is going on elsewhere."

In Colorado, however, Leo Tokar, vice president for marketing and sales for [Kaiser Permanente](#) Colorado, said the added expense from that state's new law created a "perverse incentive" for companies to reduce insurance benefits. Employers there can either pass along additional premiums for the adult children -- who can stay on health plans until they reach age 25 -- to their parents or spread the extra cost among all employees.

"Our opinion is it was absolutely the right direction to go, but it was the wrong way to go about doing it," Mr. Tokar said.

He said it was inappropriate to make employers that offer insurance serve "as a conduit to address broader social issues."

[Photograph]

Bob and Deborah Shinn, of Wall Township, in New Jersey, pay several hundred dollars a month to add Hilary, 23, to her father's health plan. (Photo by Joseph J. Delconzo for The [New York Times](#)); Tom Donatelli, a 29-year-old freelance cameraman from Brooklyn, decided not to carry health insurance. "If I have extra money, then it's going to go toward debt that I already have, not debt that I might have," he said. (Photo by Suzanne DeChillo/The [New York Times](#))(pg. 29)

[Chart]

"The Young and Uninsured"

With an increasing share of young adults lacking health insurance, some states have passed laws allowing children to remain under their parents' coverage through their mid-20's, and until 30 in New Jersey.

Graphs track the following from 1987-2005:

Total adults ages 18 to 34 without health insurance (in millions)

Percentage of all adults ages 18 to 34 without health insurance

(Source by U.S. Census Bureau)(pg. 29)

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