

## **Dental and vision coverage under the Affordable Care Act**

Many employers are unaware of how dental and vision insurance coverage fit within the Affordable Care Act (ACA). This article unravels these rules.

ACA does not mandate dental and vision insurance for adults. For children under age 19, the rules are different. In the exchanges and the individual and small-employer markets, dental and vision insurance are generally required for children under age 19. This requirement does not apply to large employers with 50 or more employees.

### **Individuals and Small Employers**

Effective January 1, 2014, for the small employer and individual market, ACA requires non-grandfathered health plans to cover a specific group of health benefits known as “essential health benefits.” There are ten benefit categories, of which one is pediatric services. Pediatric services include dental and vision care for children under age 19.

Children in this age group are entitled to teeth cleaning twice a year, x-rays, fillings and orthodontia if medically necessary. (It should be noted that there is not a single definition of “medically necessary.”) In addition, children under age 19 can annually get an eye exam and one pair of glasses or contact lenses. There is no requirement under ACA that health plans provide dental and/or vision coverage to individuals age 19 and over.

### **The Exchanges**

Except as provided below, health insurance plans offered within an exchange must include pediatric dental and vision benefits. If the exchange has a stand-alone dental plan providing pediatric dental benefits, the health insurance plan does not need to offer this benefit. The exchanges do not have stand-alone plans for pediatric vision benefits.

Under the federal exchanges, when the dental insurance is a stand-alone plan, employers and individuals are not required to purchase it. State exchanges may provide otherwise. There are no subsidies for stand-alone pediatric dental plans.

## **Planning tips:**

1. It may be more cost effective to purchase a stand-alone dental policy. When the health plan includes dental coverage, certain dental expenses may not be covered until the medical deductible is satisfied.
2. If dental and vision coverage is desired for adults, the health plan should be carefully examined because the law only requires pediatric dental and vision coverage. If dental and vision insurance for adults are not covered in the health plan, the adults must purchase a stand-alone policy.

## **Employers With 50 or More Employees**

Currently, health plans for large employers with 50 or more employees are not required to provide essential health benefits. Instead, health plans for large employers must offer “minimum essential coverage.” If this coverage is not affordable and meaningful, beginning in 2015, the employer may be subject to a monetary penalty.

The term minimum essential coverage is defined very broadly under ACA. Virtually any health plan offered within a state that is offered to at least 95% of the employer’s full-time employees and dependents constitutes minimum essential coverage. There is no requirement under ACA that dental or vision benefits must be offered in these health plans. Unlike the exchanges and the individual and small employer markets, dental and vision care for children under age 19 are not required. Although not required, most large employers offer dental and vision coverage to their employees.

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