

## Federal Health Care Reform and Your Student Health Insurance Plan

*Frequently Asked Questions for Students and Parents*

Healthcare Exchanges, also known as Marketplaces, were established under the Patient Protection and Affordable Care Act (PPACA) often referred to as the “Affordable Care Act” (ACA), “Healthcare Reform” or “Obama Care” to serve as online markets where individuals and small businesses can compare and buy insurance.



### How have Student Health Insurance Plans changed as a result of Federal Health Reform?

- The Department of Health & Human Services (HHS) has phased in changes that require Student Health Insurance Plans provide Preventive Care benefits with no out-of-pocket obligation, coverage for pre-existing conditions and unlimited coverage for Minimum Essential Coverage. For more information visit [www.healthcare.gov/what-are-my-preventive-care-benefits/](http://www.healthcare.gov/what-are-my-preventive-care-benefits/).
- **Minimum Essential Coverage includes:** Ambulatory Patient Services, Emergency Services, Hospitalization, Maternity & Newborn Care, Mental Health/Substance Abuse Disorder Services, Rehabilitative Services, durable Medical Equipment/Devices, Prescription Drugs, Diagnostic Tests, Preventive and Wellness Services. For more information visit [www.healthcare.gov/glossary/essential-health-benefits/](http://www.healthcare.gov/glossary/essential-health-benefits/).

### Are there new benefits as a result of these changes?

- Student Health Insurance Plans must now offer comprehensive Preventive Care Benefits (including annual GYN exam, STD Testing, vaccinations and immunizations as outlined in the Affordable Care Act), which are covered at 100% with no a out-of-pocket obligation as long as services are provided by **in-network providers**. In most cases, this includes the on-campus Student Health Center.
- Student Health Insurance Plans must also provide benefits for generic prescription contraceptives with no out-of-pocket obligation (Check your specific plan for a list of covered contraceptives, as this does vary by insurance company). Again, these benefits are covered only if provided by in-network providers.
- In the 2014-2015 policy year, fully-insured Student Health Insurance Plans will also provide coverage for pre-existing conditions and benefits to an unlimited maximum. Pediatric dental and vision benefits will be covered up to the age of 19.

### What health insurance options are available to college students?

College students may be eligible for the following health insurance options:

- Coverage as a dependent under the parents’ health insurance plan to the age of 26
- Coverage through Medicaid based on annual income
- Coverage through the Exchange/Marketplace, with a premium tax credit, or subsidy, if minimum income requirements are met
- The Catastrophic Plan offered through the Exchange/Marketplace for individuals under the age of 30

- School-Sponsored Student Health Insurance Plan if available; or
- Coverage through an Individual Health Plan offered outside of the Exchange/Marketplace.

#### **Can I stay on my parents' insurance plan?**

- Yes, for students whose parents' employer offers dependent coverage, you may stay enrolled through the age of 26. However, before making your health insurance decision, compare the total out-of-pocket costs (including premiums, deductibles, co-pays, co-insurance and network healthcare providers) to that of the sponsored Student Insurance Plan. You should ensure that coverage is available in the area where you will be attending school or anywhere else you may live or travel.
- If you are covered by a Health Maintenance Organization (HMO) or Exclusive Provider Organization (EPO), ask if they will extend coverage for students outside of their network area.

#### **Does coverage under a Student Health Insurance Plan satisfy the "Individual Mandate" requirement of Minimum Essential Coverage?**

- The Individual Mandate goes into effect in 2014 and will require documentation of Minimum Essential Coverage on Federal Tax returns filed for the 2014 year. Effective with the 2014-15 academic year, all student insurance plans must provide Minimum Essential Coverage as defined by the HHS.

#### **What is the penalty for not having Minimum Essential Coverage?**

- The penalty for the 2014 tax year will be \$95.00 per person or 1% of gross income, whichever is greater on the family or individual's tax return. The penalties increase significantly in subsequent tax years.

#### **What kinds of health insurance options are available through the Exchanges/Marketplaces?**

- There are five basic plan designs that pay a percentage of medical expenses. The plans are: Catastrophic (see below), Bronze (60%), Silver (70%), Gold (80%) and Platinum (90%). The plans offer varying deductible options and provider networks. Visit [www.healthcare.gov](http://www.healthcare.gov) for more information.
- Exchanges/Marketplaces have included a "Catastrophic Plan" or "Young Invincible Plan" option that is available to individuals under the age of 30, or those who have received a certification from an Exchange/Marketplace that they are exempt from the Individual Mandate because they do not have an affordable coverage option or they qualify for a hardship exemption.
- The Catastrophic Plan covers 3 primary care physician visits per year and preventive health services with no out-of-pocket obligation (if provided in-network). However, the plans have a \$6,350 annual out-of-pocket limit that must be satisfied before Essential Benefits are provided. There is no prescription coverage included until the out-of-pocket maximum is satisfied. A Bronze Plan may have a similar deductible or out-of-pocket obligation.
- If you decide to purchase a plan through the Marketplace, carefully compare the Bronze Plan against the Catastrophic Plan, as some individuals may be able to secure better coverage through the Bronze Plan for approximately the same cost as the Catastrophic Plan.
- Note that the Bronze and Catastrophic plans may not meet the minimum coverage required by most Colleges or Universities because of their large deductibles.
- Once enrolled in an Exchange/Marketplace plan, you must continue enrollment in the same plan throughout the policy year.

**If a student attends a College or University that offers a school-sponsored Student Health Insurance Plan, will he or she be eligible to purchase a plan through the Exchange/Marketplace?**

- Yes, students attending a College or University that offers a school-sponsored plan will be eligible to purchase a plan through the Exchange/Marketplace.
- While we encourage students to review their options through their home State Exchange/Marketplace, commonly the plans available are more expensive and offer higher deductibles compared to a school-sponsored Student Health Insurance Plan. They may also have limited provider networks. Students should review both policies carefully to determine:
  - ✓ Does the plan have in-network providers in the geographic region where the student attends school?
  - ✓ Is the annual cost of the Student Health Insurance Plan less? Be sure to compare the total out-of-pocket costs (deductible, co-pay and co-insurance obligations) as well as premiums.
  - ✓ Does the Exchange/Marketplace plan cover medical care beyond emergency services (i.e. doctor's office visits, diagnostic testing, x-rays, prescription drugs, mental health, etc.) in the geographic region where the student attends school? Caution – Wellness may only be covered when services are rendered in-network.
  - ✓ Are there pre-certification or Primary Care Physician referrals required under the Exchange/Marketplace plan that may delay my ability to receive care?

**Can a student who attends College outside of their State of Residence apply for an Exchange/Marketplace plan in the State in which their College or University is located?**

- No, individuals interested in purchasing coverage through the Exchange/Marketplace may only apply for plans available in the State where he/she is a resident. Each State has its own residency definitions and requirements which must be met for a person to legally be considered a resident.

**Can a College or University continue to have an Insurance Requirement for their students?**

- Yes, Colleges and Universities may continue to require that students provide evidence of insurance. This requirement can be met by enrolling in the school-sponsored Student Health Insurance Plan, or completing a waiver form showing proof of comparable coverage. In addition, schools may set specific coverage standards.
- Students insured by Medicaid are limited to coverage within their state. Once a student leaves the state, the Medicaid plan will not provide coverage. Thus, the student becomes uninsured while out of state.

**Why is enrollment in a Student Health Insurance Plan a good alternative to enrolling in a plan through the State Exchanges/Marketplaces?**

It is important to explore all options and choose the one that is the most cost effective when comparing the premium and total out-of-pocket costs.

Here are some positive aspects of a Student Health Insurance Plan:

- The deductible and co-pay obligations are generally less than the plans offered through the Marketplace or an employer plan.
- The out-of-pocket expenses such as deductible, co-pay and co-insurance percentage are usually waived when services are rendered through the Student Health Center,
- Student Health Insurance Plans usually have a National Network of medical providers that allow students access to in-network services no matter where they go,
- They include travel assistance coverage which protects a student during semester breaks, summer vacation and while traveling or studying abroad; and
- In many cases, Financial Aid may be used to purchase the Student Health Insurance Plan.