

# The New Health Care Law and Student Health Insurance Plans

The new health care reform law, also known as the Affordable Care Act (ACA). The Health Insurance Marketplace is designed to help individuals find health care coverage that fits their needs. Here are some answers to frequently asked questions about what this may mean to you and your Student Health Insurance Plan.

## **What is the Marketplace/Exchange?**

Exchanges, also known as Marketplaces, were established under the Affordable Care Act (ACA) to serve as online markets where individuals and small businesses can compare policies and buy insurance. To locate information on Exchange/Marketplace options applicable to your State, go to [www.healthcare.gov](http://www.healthcare.gov). Individuals interested in purchasing coverage through the Exchange/Marketplace may only apply for plans available in the State where he/she is a resident. There is a defined open enrollment period during which you can purchase coverage through the Marketplace. The open enrollment period for 2014 ended on **March 31, 2014**.

## **Are Student Health Insurance Plans (SHIP) sold in the Marketplace? If not, why not?**

No, students cannot buy Student Health Insurance Plans on the Marketplace, nor can you get a premium tax credit or cost-sharing assistance for the Student Health Insurance Plan. Student plans are treated separately based on unique pooling provisions established by the Affordable Care Act which allows the cost of coverage for similar benefits to reflect the student population rather than outside populations. This results in coverage that should be more affordable than many of the individual plans on the Marketplace.

## **Does the Student Health Insurance Plan sponsored by my University qualify as health insurance under the new federal law?**

Yes. The University-Sponsored Student Health Insurance Plan meets ACA requirements and provides all mandated benefits. Students who are not enrolled may enroll in the University-Sponsored Student Health Insurance Plan. Premiums are structured on an academic year basis or by semester, depending on the institution you attend.

## **Can all students (Domestic & International) buy health insurance in the Marketplace; or must they only purchase the plan offered at their University?**

Students that are U.S. citizens or nationals, or non-citizens who are lawfully present in the U.S. for the entire period for which enrollment is sought are eligible for individual insurance through the Marketplace. However, students may want to consider enrolling in the University-sponsored Student Health Insurance Plan instead, as these fully insured plans must meet all the ACA benefit and coverage requirements and the cost of the plan is based on the student population only. Colleges and Universities may continue to require students to have health insurance as a condition of attendance. 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.

## **What are the requirements for International students regarding the ACA laws? Can they buy a plan in the Marketplace and if so, can they get a government subsidy if they do?**

International students who are legally in the United States are eligible to purchase a plan through the Exchange/ Marketplace, but are not eligible for a premium tax credit (subsidy). Coverage requirements for International students are outlined in the final HHS Rule on Student Health Insurance Plans. International students are required to have coverage and the best way to meet that requirement is through the school-sponsored Student Health Insurance Plan.

## **Do Student Health Insurance Plans meet all of the ACA requirements and do they qualify as health insurance plans under this new law? Will my student have to pay a tax penalty if he/she buys a plan through my school as opposed to buying a plan through the Marketplace?**

Yes, your Student Health Insurance Plan meets ACA requirements and provides all mandated benefits if it is a fully insured plan. No, your student will not have to pay a tax penalty because your school-sponsored plan meets the requirements of the individual mandate. There is a penalty if your student chooses not to enroll in any insurance health insurance coverage. In 2014, the penalty is \$95 or 1% of household income.

## **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. Coverage under a Student Health Insurance Plan does satisfy this requirement because it meets the Department of Health and Human Services (HHS) definition of providing Minimum Essential Coverage.

In the 2014-2015 policy year, in addition to the coverage currently in place, fully-insured Student Health Insurance Plans will provide unlimited benefits and coverage for pre-existing conditions. In addition, pediatric dental and vision benefits will be covered up to the age of 19.

## **Can a student with a Marketplace plan use the Student Health Center?**

Yes, if they have paid any Student Health Center required fee(s). However, the on campus Student Health Center at your school may not be considered “In-Network” for purposes of coverage levels for some Marketplace plans. Depending upon the service, this could mean that the student most likely will have to file their own claim and it could be reimbursed at a lower “Out of Network” coinsurance percentage.

## **Are there any advantages to buying health insurance through my school versus the Marketplace?**

- By purchasing the Student Health Insurance Plan, you have the benefit of having an insurance plan that your University endorses that will cover 100 percent of eligible services with no deductible at the student health center(s) on campus. This gives you easy access to basic health care services along with office visits, prescriptions and many preventive services at no additional out-of-pocket cost.
- If you need to see a doctor off-campus, they have the assurance of the comprehensive network of doctors, hospitals and specialists provided by the provider network supporting your plan. Your Student Health Insurance Plan network list may be greater than the network list you would have on a Marketplace plan.
- Depending on the institution, in some cases students can use Financial Aid to purchase Student Health Insurance.
- Student Health Insurance Plans may offer lower deductibles, copayments, out-of-pocket maximums, and premiums as compared to the lower cost options (i.e. Bronze, Silver, and Catastrophic) offered through the Exchanges/Marketplaces.
- Student Health Insurance Plans include Travel Assistance Coverage which guarantees coverage during semester breaks, summer vacation and even while traveling or studying abroad.
- Student Health Insurance Plans are not subject to community rating requirements; therefore, premiums are based on the actual claims experience of a similar population (college students) as opposed to the general population, as is the case through the Exchanges/Marketplaces.

## **Do I need to do anything?**

If you are currently enrolled in the University-endorsed Student Health Plan, you do not need to do anything. You are covered by a plan that meets ACA requirements. If you are not enrolled in the University-endorsed Student Health Insurance Plan, we encourage you to enroll in the program.

## **QUESTIONS**

Please contact Judith Baxter-Aung at:

**Phone:** (855) 247-2273 toll free or (817) 809-4718 direct

**Email:** Judith@ahpcare.com

Information sources include:

- Centers for Medicare & Medicaid Services ([www.cms.org](http://www.cms.org) and [www.healthcare.gov](http://www.healthcare.gov))
- Henry J. Kaiser Family Foundation ([www.kff.org](http://www.kff.org))
- PPACA Regulations as published in the Federal Register.