

What Students Need to Know About the Affordable Care Act

Compiled by the University System of Maryland Office of Human Resources

How are college students affected by the ACA?

- Under the new law, most people over age 18 must have health insurance beginning in 2014 or pay a penalty. This includes nearly all college students.
- The ACA provides affordable ways for students to get quality health insurance coverage that meets their specific needs.

Are there any exceptions to the ACA's individual mandate that students have health insurance?

- There are few exceptions to this rule, and they include students:
 - Whose household income is so low that their family unit does not have to file federal income tax;
 - Who qualify for a hardship or affordability exception when they apply for coverage on their state's health insurance exchange;
 - Who are members of a recognized Indian tribe, health care cost-sharing ministry, or religious group that objects to health insurance; or
 - Who are in the U.S. illegally.
- Check with your state's health insurance exchange if you believe that you may qualify for an exception and do not wish to enroll in a health plan for 2014.

What if I live out-of-state?

- If you do not consider yourself a Maryland resident (think about where you pay taxes, have your driver's license, etc.), you should look into the health insurance exchange in your home state. You can find information about your state's exchange on the federal ACA website, www.healthcare.gov.
- When you consider plans in your home state, be sure to look for a "multi-state" plan that has a national or regional provider network that includes Maryland.

Do international students have to comply with the ACA?

- Yes. However, if you have a student visa and already have health insurance, no additional steps are required to comply with ACA.
- If you have a student visa but do not have health insurance, or if your plan expires in the near future, you may be eligible to get coverage through the health insurance exchange in the state in which you live. Please check with healthcare.gov or MarylandHealthConnection.gov for more information.

How can I get health insurance under the ACA?

- Under the ACA, employer health plans are required to allow children of employees to be enrolled under their parents' coverage until they are age 26. **If one of your parents has health**

insurance and you are under age 26, you should qualify as a dependent on your parent's health plan. For many students, this is the most direct and economical way to get coverage.

- Some USM institutions have specialized student health plans. Please check with your institution's student health center or student affairs office to see if your campus has its own plan.
- If you do not currently have private health insurance or Medicaid and cannot enroll in a parent's health plan, you can look to the new health insurance exchange in your state of permanent residence to find an affordable health care plan that meets your needs. **In Maryland, this exchange is called the Maryland Health Connection. Visit MarylandHealthConnection.gov to review the services available through and the costs of various health plans; learn about subsidies for people with low incomes; and enroll in the plan of your choosing.**

What are the deadlines for becoming insured under the ACA's individual mandate?

- October-December 2013: If you do not already have coverage for 2014, you can enroll in a plan on a health insurance exchange, including Maryland Health Connection, between October and approximately December 15, 2013. Enrollment during this period will enable your coverage to start on January 1, 2014.
- January 1, 2014: The date on which coverage provided by the exchanges will actually begin.
- March 31, 2014: The date on which open enrollment on the exchanges will close. If you do not have coverage by this date, you will be subject to a penalty.

What is the penalty if I do not enroll in a health insurance plan?

- In 2014, the penalty is \$95 per individual adult or 1 percent of your income, whichever is higher.
- Penalties increase annually after 2014. In 2015, the penalty will rise to \$325 or 2 percent of your income; in 2016, these numbers increase to \$695 or 2.5 percent of your income.

What kinds of services are covered by plans offered on the health insurance exchanges?

- Under the ACA, every plan offered by a student health insurance plan or a state health insurance exchange must provide all of the following benefits:
 - Outpatient doctor visits and other services
 - Emergency care
 - Hospitalizations
 - Maternity and newborn care
 - Counseling and other mental health and substance abuse services
 - Prescription drugs
 - Rehabilitative services and devices
 - Preventive and wellness services
 - Pediatric services
- Under the ACA, pre-existing conditions do not limit eligibility, services, or costs to the enrollee.

What will a plan on Maryland Health Connection or another state's exchange cost?

- The cost of a plan for an individual student through Maryland Health Connection depends on a number of factors, including your age and income. For example:
 - If you are financially independent and your income is less than \$16,000 per year, you may qualify for Medicaid, not have to pay premiums, and have minimal out-of-pocket costs.
 - If your income is between \$16,000 and approximately \$46,000 per year, you will qualify for subsidies and credits for the cost of your insurance at Maryland Health Connection. For example, a graduate student in his/her late twenties who makes \$20,000 per year would receive a credit of nearly \$1,600 toward a health insurance premium, and could enroll in a high-deductible (Bronze) plan for a premium of approximately \$50 per month, or a lower-deductible (Silver) plan for \$70-\$80 per month.*
 - If you are under age 30, you can enroll in a “Young Invincibles Plan.” This plan has a very low premium but high deductibles and other cost-sharing if and when you do use health services.
- If you have a spouse, children, or other dependents, the ability to reduce your costs through Medicaid, subsidies, and credits increases dramatically. For example, a family of four:
 - May be able to enroll in Maryland Medicaid if the household income is less than \$32,500.
 - Will be eligible for premium and out-of-pocket cost subsidies if the household income is less than \$94,200.
 - For example, a graduate student in his/her late twenties with a spouse and child and a household income around \$20,000 a year should be able to get either high-deductible insurance with no monthly premiums or a plan with lower deductibles and \$40-\$70 in monthly premiums. If that young family has an income of \$40,000, it can expect to pay roughly \$110 per month in premiums for a high-deductible plan, and \$210-\$250 per month for a lower-deductible plan.*
- If you are an out-of-state resident, you will need to look at your home state’s health insurance exchange website for cost information. Plans and premiums on the exchanges vary by state.

How do I choose the plan that is best for me?

- To choose a plan, you will need to consider your age, general health, the health of your dependents, health services that may be available on campus and paid for through student fees, and whether you have a regular need for health services.
 - If you are in good health and have no dependents, you may wish to consider a “Young Invincibles Plan,” which is available to people under the age of 30. These plans offer low premiums, but they have high deductibles and out-of-pocket costs.
 - If you have a chronic health condition that requires regular health care or prescription medications, or you have dependents, you may wish to consider enrolling in a plan that has higher premiums but low deductibles and low out-of-pocket costs. On the Maryland Health Connection, these are called “Silver” or “Gold” plans.
- Help is available at the Maryland Health Connection to assist you in evaluating the many available plans. This help includes:

- A telephone help line
- Extensive web information, including online plan comparisons and cost calculators
- Trained navigators at various locations across the state who can answer questions, explain individual plans, and walk you through the enrollment process
- Additional resources will be available on campus. This includes trained navigators, who may visit campuses in November.

What are Young Inevitable Plans?

- Young Inevitable Plans are catastrophic plans available to people under age 30. They are designed for healthy young people who do not anticipate needing many health services, but who want protection against having to bear the full cost of a major medical emergency. (In Maryland, the average cost of a three-day hospital stay is \$30,000.)
- These plans typically have very low premiums, often in the \$40-\$60 per month range, but their annual deductibles can be several thousands of dollars.
 - On the exchanges, these plans must cover three primary care visits per year at no cost to the enrollee.
 - With the exception of the three annual primary care visits, you will be responsible for the full cost of all health services up to the deductible amount.
- There are no subsidies or tax credits available for Young Inevitable Plans. If your income is low, you may want to compare the subsidized costs of Bronze and Silver plans, which have lower deductibles, against the unsubsidized premiums of a Young Inevitable Plan.

For more information: ACA@usmd.edu.

*The numbers quoted in these examples are estimates, calculated using the Kaiser Foundation's ACA online cost calculator and the best information currently available to us.