

# Healthcare Reform - Student Q&A

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You've likely heard a lot about healthcare reform recently — in the media and from friends and family members. It raises many questions; some of the most important questions and answers for you and your benefits are included here. For more information on health care reform in general, visit [www.healthcare.gov](http://www.healthcare.gov).

PLEASE NOTE: this Q&A is mainly directed at a college student with no spouse or children.

## Question

## Answer

### Individual coverage requirement

#### ***Are individuals required to have health coverage?***

In 2014, most U.S. citizens and legal residents will be required to obtain health insurance that meets certain minimum requirements, called "minimum essential coverage," or pay a penalty if they remain uninsured. This is called the "individual mandate."

#### ***Is anyone exempt from the requirement to have coverage?***

There are exceptions to the individual mandate, including:

- Individuals with income below the federal income tax filing threshold
- Individuals who otherwise would be paying more than 8% of modified adjusted gross household income for health insurance
- Certain groups such as Indian tribes and those with religious objections.

#### ***What is the penalty for not having coverage?***

For 2014, the penalty is the greater of \$95 per individual over age 18 up to \$285 per household, or 1% of the amount of household income over the filing threshold. The penalty is capped at the national average premium of a public exchange (commonly referred to as a "Marketplace") "bronze" plan.

#### ***Does student health coverage through my university meet the requirement?***

Yes. Our student health insurance plan has been determined to meet the requirements for minimum essential coverage for the 2014 calendar year.

#### ***What if I only have coverage part of the year?***

If you're uninsured for just part of the year, 1/12 of the yearly penalty applies to each month you're uninsured. However, you will not be subject to a penalty if the maximum period you go without health insurance is less than three full continuous months in a calendar year. If you enroll in a plan through the Marketplace by March 31, 2014, you won't be subject to the penalty for any month before your coverage began.

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***What are my other options for health care coverage?***

If you are under age 26, you may be eligible for coverage under your parent's health insurance plan.

You may purchase coverage from your college or university. Refer to your school's website for additional information on how to enroll in your school-sponsored plan.

If you are in a state that chose to expand Medicaid under health care reform, you may be eligible for Medicaid if your income is less than 138% of the federal poverty level (\$15,856 for an individual in 2013). You can find out more at [www.healthcare.gov](http://www.healthcare.gov) or through your state's Medicaid office.

You may also purchase health insurance through the Health Insurance Marketplace (Exchange) offered in your state of residence. You can access the Marketplace in your state by visiting [www.healthcare.gov](http://www.healthcare.gov).

## Health Insurance Marketplace

***What is the Health Insurance Marketplace (Exchange)?***

The Affordable Care Act requires each state to provide individuals access to a competitive "marketplace" where they are able to purchase private health insurance coverage. Some states set up their own Marketplace while other states are using a Marketplace maintained by the federal government. The Marketplaces are having their first open enrollment from October 1, 2013 through March 31, 2014.

***Could I save money by purchasing coverage through the Marketplace?***

It depends. The cost of coverage under the Marketplace will be based on your age, zip code, family size, smoking status (not applicable in California) and household income. Subsidies to help pay for coverage purchased through the Marketplace are available to individuals who meet certain income levels (below 400% of the federal poverty level) and are not offered affordable coverage through an employer (e.g., if you are named as a dependent on your parent's tax return and are eligible for coverage under your parent's employer's plan, you would not be eligible for a Marketplace subsidy). You can explore the options available by going to [www.healthcare.gov](http://www.healthcare.gov).

***Can I purchase coverage under any state's Marketplace?***

No. You may only apply for Marketplace coverage offered in your state of residence (which may be different from the state where you are attending school).

***Can I receive a subsidy to purchase Marketplace coverage even though my university offers health coverage?***

Possibly, if you meet all the criteria. You are not automatically disqualified from receiving a subsidy to purchase coverage in the Marketplace simply because our health plan is offered to you as a student.

***Is my university's plan part of the Health Insurance Marketplace?***

No. Student health plans are not included in the Marketplace.

## Non-U.S. citizens (international students)

***As an international student, am I required to have healthcare coverage under the individual mandate?***

You are required to obtain healthcare coverage if you are a permanent resident or foreign national who either has a green card or has been in the U.S. long enough during a calendar year to qualify as a resident alien for tax purposes. However, if you have a J-1 visa, you are required by the U.S. State Department to have a minimum level of health coverage.

***Regardless of whether I am subject to the individual mandate, can I purchase Marketplace coverage and receive a subsidy?***

It depends. In order to receive a subsidy for coverage under a Marketplace, you must be considered a resident of the state offering the coverage. You should seek legal advice before declaring your intent to reside indefinitely in a U.S. state, as this may conflict with the requirements of your student visa.

If you are considered a resident of a U.S. state, you may be eligible to receive a subsidy when purchasing coverage from a Marketplace if your income is between 100% and 400% of the federal poverty level. If your income is below 100% of the federal poverty level, you may also be eligible for a subsidy if you don't qualify for Medicaid (see next question). For more information about non-U.S. citizens and the Marketplace, visit [www.healthcare.gov/what-do-immigrant-families-need-to-know/](http://www.healthcare.gov/what-do-immigrant-families-need-to-know/).

***Am I eligible for Medicaid if I live in a state that has expanded Medicaid, and I meet the income requirements?***

Generally, legal immigrants are not eligible for Medicaid until they have resided in the U.S. for five years.

## Other questions

***Is it true that preventive care is free if I have insurance coverage?***

Yes, health care reform mandated that most group health plans (non-grandfathered plans) provide many preventive services with no additional copay or charge to the individual. These include an annual checkup, screening for many medical conditions, immunizations, and women's preventive care.

***Can anyone be denied coverage because of a preexisting condition or if they get sick?***

Effective in 2014, both insurance companies and group health plans are prohibited from refusing coverage or charging more for someone with a preexisting condition. In addition, plans cannot drop an individual if they get sick, unless there is a failure to pay premiums on a timely basis or a material misrepresentation.

***How should I choose coverage?***

To choose the best plan for you, you should evaluate your options side by side, comparing plan features such as:

- Cost to you (not just premium amounts, but also deductible and copays)
- Coverage (e.g. comprehensive or minimal?)
- Access to providers (e.g. Student Health Center or out-of-state-network?)

## Find out more

***Where can I learn more about health care reform and the Health Insurance Marketplace?***

The Department of Health and Human Services has established [www.healthcare.gov](http://www.healthcare.gov), a website where residents of any state can identify health insurance coverage options in their state and learn more about healthcare reform.

***Where can I learn more about the student health plan offered by my university?***

You can find more information about the student health insurance plans offered by your university online by visiting the student insurance section on your university's webpage or at <https://studentinsurance.wellsfargo.com>.

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