Contents

2 Table of Contents
3 New Student Orientation
4 Assignment: Compare & Contrast Student Health Insurance Options
6 History Notes: How Health Care Reform will Affect Student Health Insurance Plans
8 5 Things Graduating Students Need to Know about Health Insurance After Graduation
9 Glossary of Terms/Conclusion
10 About GoHealth & Disclaimer
Good morning, class! Turn off your cell phones and put your iPods away, please. We need your full attention for this. You may be young, free and reckless - but you are not invincible! Even healthy people your age need to be sure they have health insurance coverage. We've put together a syllabus outlining all of the health insurance options for young adults in school.

**New Student Orientation**

Young adults enrolled in college have three main health insurance options to choose from:

**College/University Student Health Plan**

More than half of colleges and universities sponsor their own health insurance plans for students. On average, the yearly premiums for campus health plans are rather low. Quality varies greatly between school sponsored plans - some policies are expansive while others offer very minimal coverage.

**A Parent's Health Insurance Plan**

Under the Affordable Care Act, young adults can now stay on a parent’s health insurance plan until they turn 26. Adult children can join or remain on their parents’ plan even if they are:

- married
- not living at home with family
- attending school full-time
- not financially dependent on their parents
- eligible to enroll in their employer’s plan

**Individual Health Insurance**

For young adults and students, an individual health insurance plan will be the most flexible option. That’s because you can tailor the benefits to your specific needs. Keep in mind that premiums can vary based on the level of coverage you choose. So if you are healthy and don’t often visit the doctor, you can opt for a catastrophic plan to cover emergencies to get lower monthly premiums. Or you can choose a plan with a lower deductible and more benefits – as long as you’re willing to pay more per month for that extra coverage.
Assignment: compare & contrast student health insurance options

So, you’re under 26 and in school full time. That means you can join or remain on your parent’s health insurance policy, opt for a university plan, or find your own individual health plan. Consider these pros and cons.

College/University student health plan

Pros

• On average, campus plans can cost much less an individual policy or being added as a dependent to a parent’s plan. Premiums for a university-funded health insurance plan can be as low as $30 annually, although the average is about $850 per year.

• Fewer bills to manage. At many schools, the cost of your university plan can be included in your tuition.

Cons

• Very little choice on coverage and benefits to tailor to specific needs.

• College plans act more like temporary health insurance than individual health insurance and may not cover as many benefits or health care providers.

• Typically more restricted health care provider network

• Coverage ends after graduation, requiring you to find coverage elsewhere before landing a job.
A PARENT’S HEALTH INSURANCE PLAN

Pros

• Sometimes it is more affordable to add a dependent on to an existing health plan rather than purchasing a new one.

• With a parent’s plan, you will likely already have a general idea of the benefits and network of doctors available if your parents have been on the same plan for some time.

Cons

• You may find that your parent’s plan doesn’t cover out-of-network providers, which may be necessary if your school is far from home.

• You may not have access to college health clinics if they’re not included in your parent’s plan network.

• You could have problems joining a parent’s plan. For example, their plan could be “grandfathered,” meaning it may not allow you to be added as a dependent.

• If you can join, your parents will have to pay extra for adding a dependent to their current plan. Some employers have started passing much more of the cost for dependent policies on to employees.

INDIVIDUAL HEALTH INSURANCE

Pros

• Full flexibility of choosing tailored coverage for your health and budget needs.

• Your coverage won’t end after you graduate.

• Many colleges require students to purchase health insurance. This would eliminate the cost of paying for mandatory student health insurance through universities.

Cons

• You may not have access to college health clinics if they’re not included in your parent’s plan network.

• If you have pre-existing conditions, you could be denied coverage or not have benefits related to that health condition.

• Depending on your situation, it may be more affordable to stay on a parent’s plan or choose a university plan.
More than one million students in the U.S. are covered under college or university health plans. But, it’s important to know that all student health insurance plans are not created equal. Some are comprehensive while some offer just bare bones coverage.

With health care reform on the horizon, many have voiced legitimate concerns over how the Affordable Care Act will impact young adults with student policies. In response, the Department of Health and Human Services (HHS) issued a final student health coverage rule to ensure that students not only have coverage options under the new plan, but also benefit from it.

Here are the major changes students need to know about:

**No More Annual Benefit Limits by 2014**

In the past, student insurance companies could impose an Annual Limit – a dollar limit on their yearly spending for covered benefits. With health reform, the annual limit keeps increasing until it goes away in 2014.

- For policy years beginning on or after July 1, 2012 but before September 23, 2012, plans cannot have annual limits of less than $100,000 on essential health benefits.

- For policy years beginning on or after September 23, 2012, but before January 1, 2014 the limit can be no less than $500,000

- For policy years beginning on or after January 1, 2014, annual limits on essential benefits are prohibited.
**Increased Medical Loss Ratios**

The Affordable Care Act requires that insurance companies comply with a new set of rules regarding their medical loss ratio (MLR). They are to spend at least 80 to 85 percent of premiums on health care services in order to help keep premiums low and ensure that premium dollars are being spent on medical services and not administration costs. Under the recent final rule, student health care providers will be required to adhere to the same MLR regulations.

**No More Secrets**

Until 2014 when annual limits become banned, providers of student health insurance must clearly inform you if a policy being issued does not meet minimum annual limits requirements. In addition, students must be made aware by the insurance company of their possible right to be covered as a dependent under their parents’ health insurance policy until the age of 26.
Graduating college students have a lot on their hot plates. The stress and excitement of beginning a new chapter of life can be all-consuming. With so many things going on, it comes as no surprise that health insurance coverage may fall off their radar.

Here are 5 important things graduating college students need to know:

1. As the school year ends, so does your university’s coverage. Typically, a student health care plan provided through your college or university will run out within months of graduating.

2. Under health care reform, young adults can join or stay on their parents’ health insurance until the age of 26. You don’t have to wait until 2014 for this one – young adults can take advantage of the new law right now. For details, visit HealthCare.gov.

3. An individual health insurance policy might be a less expensive option. Staying on your parents’ plan might seem like a no-brainer, but it’s not necessarily the case. Young, healthy folks are considered very low risk by insurance companies. Investigate individual options on a site like GoHealthInsurance.com to compare plans and companies.

4. If you plan on landing a job in the next few months, consider short-term health insurance. If you are actively interviewing for jobs that would offer group health insurance in the future, a short-term policy may be a wise option. The major “pro” of a short-term policy is that it is quite inexpensive. It will only cover catastrophic illnesses or injuries. A “con” is that it will not provide coverage for medications or doctor visits.

5. If you plan on traveling to celebrate graduation, make sure you are covered. Whether you are backpacking through Europe or taking a road trip through middle America, it is important to know that certain health care plans do not provide coverage out of state.
   - Preferred Provider Organizations (PPOs) will cover you for out-of-network visits but you will pay more than you typically pay for in-network visits. However Health Maintenance Organizations (HMOs) only cover in-network visits.
Glossary of Terms

Benefits: The amount an insurance company pays to a policyholder when a loss occurs.

Deductible: The yearly amount an insured must pay out-of-pocket before insurance coverage begins.

Grandfathered Policy: The Affordable Care Act defines this as any group health plan or health insurance coverage in which an individual was enrolled and that was in effect on the date of the enactment of the Act (March 23, 2010). The Act clearly provides that the enrollment of new employees, and new family members of individuals enrolled on the date of enactment, will not cause the plan to lose its grandfathered status.

HMO: Health Maintenance Organization - provides coverage with providers under contract. These contracts allow for premiums to be lower, because the health providers have the advantage of having patients directed to them; but these contracts also add additional restrictions to the HMO’s members.

Medical Loss Ratio [MLA]: The percentage of your premium dollars that an insurance company spends on providing you with health care and improving the quality of your care, versus how much is spent on administrative and overhead costs.

Network: The group of doctors, physicians, hospitals, clinics, and specialists that agree with a health plan to discount their medical services in exchange for patient referrals.

Out-of-Network: This phrase usually refers to physicians, hospitals or other health care providers who are considered nonparticipants in an insurance plan (usually an HMO or PPO). Depending on an individual’s health insurance plan, expenses incurred by services provided by out-of-plan health professionals may not be covered, or covered only in part by an individual’s insurance company.

PPO: A PPO (Preferred Provider Organization) plan offers patients the flexibility to choose physicians from within or outside of the organization’s network. If you use the doctors and hospitals listed in the carrier’s Provider Directory you receive a richer benefit package.

Premium: The payment that must be made to an insurance company monthly to keep a health insurance policy in effect.
About GoHealth

GoHealthInsurance.com is an online platform to help individuals and families find the right health insurance coverage. Today, GoHealth has helped more than two million consumers shop for health insurance through online technology and trusted agents.

Media Contacts:
For information or commentary on this report, please contact GoHealthInsurance.

Media Inquiries:
Mark Colwell, Manager of Consumer Marketing
312.386.8247
mcolwell@gohealth.com

Erinn Springer, Media and Communications Specialist
312.784.7017
espringer@gohealth.com

Disclaimer
Published by GoHealth Insurance
214 West Huron Street
Chicago, IL 60654
1.888.322.7577
http://www.gohealthinsurance.com

Copyright © 2012 by GoHealth Insurance.

All rights reserved. No portion of this document may be reproduced, stored in a retrieval system or transmitted in any form or by any means — electronic, mechanical, photocopy, recording, scanning or otherwise — except as permitted under section 107 or 108 of the 1976 United States Copyright Act, without the prior written permission of the publisher.

Limit of Liability and Disclaimer of Warranty: The authors and publisher of this document have made their best efforts to ensure the accuracy of the content contained herein. However, no representations or warranties with regard to the accuracy or completeness of the content of this document are made, and the authors and publisher specifically disclaim any implied warranties of merchantability or fitness for any purpose. The information and advice contained herein may not be appropriate for all situations, and you are encouraged to consult with a professional where appropriate. The authors, the publisher, and their agents, employees, affiliates, and other designated representatives shall not be held liable for any damages resulting from the use of this document, including but not limited to special, incidental, consequential, or other damages.

Disclaimer: The report is not intended to convey tax advice or legal advice.