

Federal Health Care Reform and Your Student Health Insurance Plan

How have Student Health Insurance Plans (SHIPs) changed as a result of Federal Health Care Reform?

- For 2012-2013, SHIPs were required to meet Phase I of Federal Health Care Reform, requiring plans cover **Essential Benefits** up to a minimum of \$100,000 per policy year and remove all internal caps on these Essential Benefits (for example, removing limitations on prescription drug benefits and covering them up to the plan maximum). The 2013-2014 academic year falls under Phase II of Health Care Reform, which requires SHIPs to increase their coverage for Essential Benefits to a minimum of \$500,000 per policy.

Some schools are seeing the impact of both Phase I and II of Health Care Reform for the 2013-2014 Policy year (vs. Phase I in 2012 and Phase II in 2013), depending on the effective date of their 2012-2013 Student Health Insurance Plan.

Were there any new benefits as a result of these changes?

- In 2012-2013, SHIPs began offering comprehensive Preventive Care Benefits (including annual GYN exam, STI Testing, vaccinations and immunizations as outlined in the Affordable Care Act), which are covered at 100% without cost-sharing at in-network providers. In most cases, this includes on-campus Student Health Centers. For 2013-2014, SHIPs also must meet the Women's Preventive Services mandate, which among other benefits provides generic prescription contraceptives with no cost-sharing (please see your specific plan for a list of covered contraceptives as this does vary by insurance company).

Essential Benefits:

1. *Ambulatory Patient Services*
2. *Emergency Services*
3. *Hospitalization*
4. *Maternity & Newborn Care*
5. *Mental Health / Substance Abuse Disorder Services*
6. *Rehabilitative Services*
7. *Durable Medical Equipment / Devices*
8. *Prescription Drugs*
9. *Diagnostic Tests*
10. *Wellness / Preventive Care*

How has the cost of the SHIP been impacted?

- The biggest factors impacting the cost of SHIPs for 2013-2014 include: the cost to increase benefits to \$500,000 per policy year, and the added cost of new PPACA taxes and fees assessed by the Federal Government. For some schools, these costs are substantial and represent a significant portion of the rate change over the current year's Plan.

Can I stay on my parents' insurance plan?

- Yes; for students whose parents' employer plan offers dependent coverage, you may stay enrolled up until the age of 26. However, before making your health insurance decision, compare the total out-of-pocket costs (including premiums, deductibles, co-pays and co-insurance) to that of the sponsored SHIP. Additionally, you should ensure that coverage is available in the area where you will be attending school and anywhere else you may live or travel. Very often, sponsored SHIPs provide lower total out-of-pocket costs and greater access to coverage on campus and near campus than employer plans.

What about State Exchanges?

- State Exchanges are slated to be open in January 2014 for those states who do not yet have them. While we encourage students to review their options through their home State Exchange, commonly these plans are significantly more expensive and offer higher deductibles compared to sponsored SHIPs. Additionally, coverage through State Exchanges may not be available outside of your State of residence.

How can I find out more about the benefits under my SHIP?

- To view your College or University's benefit summary, brochure and Frequently-Asked Questions, visit www.gallagherkoster.com. Your Plan will incorporate the regulations as required by Federal Health Care Reform / PPACA, as well as any additional coverage mandated by your State.

