Under the Affordable Care Act (ACA), individuals will have new insurance options starting January 1, 2014. The law will also make having health coverage a legal requirement. Currently, young adults ages 18 to 34 are twice as likely to be uninsured as older adults. Because many of these individuals are students, community colleges are in a great position to help connect them to health insurance. When covered by new no and low-cost health insurance options, students will be less likely to grapple with large, unexpected medical costs, increasing their chances of academic success and college completion. As part of the Benefits Access for College Completion initiative, CLASP and Young Invincibles teamed up to develop a toolkit and webinar for community college leadership, faculty, and staff that shows how to connect their students to health coverage. Based on the questions posed during the webinar, Young Invincibles, Enroll America, and CLASP have developed a companion frequently asked questions guide.

WHAT RESOURCES ARE AVAILABLE TO STUDENTS WHOSE PARENTS DO NOT HAVE HEALTH INSURANCE?

Even if a student is not able to get coverage as a dependent on her parent’s health plan – because her parents are uninsured or her parent’s plan does not cover dependents – there are other options for coverage that may be available to the student – and her parents, if they are also uninsured.

- Individuals and families that do not have access to employer coverage will be able to buy coverage on the new Health Insurance Marketplace, regardless of age. If a person’s income is less than about $46,000 for individuals or $94,000 for a family of four, he may be eligible for a monthly Premium Tax Credit to lower the cost of insurance purchased through the Marketplace: https://www.healthcare.gov/will-i-qualify-to-save-on-monthly-premiums.
- Individuals and families that have annual incomes below about $15,000 for an individual and $31,000 for a family of four may be able to get coverage through Medicaid, depending on the Medicaid eligibility rules in their state: https://www.healthcare.gov/do-i-qualify-for-medicaid/.
- Individuals who are either under age 30 or who cannot find “affordable coverage” may be able to buy a catastrophic plan: https://www.healthcare.gov/can-i-buy-a-catastrophic-plan.

IS NEW YORK PARTICIPATING IN THE NEW ELIGIBILITY FOR MEDICAID?

New York is not officially participating yet, but it is very likely that it will. To see the current status of the Medicaid expansion in your state, visit: http://www.advisory.com/Daily-Briefing/2012/11/09/MedicaidMap.

IS THE ANNUAL SALARY LIMIT BASED ON NET OR GROSS INCOME?

Eligibility for premium tax credits, cost-sharing subsidies, and Medicaid in all states will be based on by Modified Adjusted Gross Income (MAGI). MAGI is Adjusted Gross Income (AGI), plus certain items like tax exempt interest.
WHAT IS INCLUDED IN THE DIFFERENT TYPES OF PLANS? OR IN OTHER WORDS, WHAT ARE THE DIFFERENCES?

Under the Affordable Care Act (ACA), insurers will offer plans on the Marketplace that fit one of four levels of coverage: Bronze, Silver, Gold, and Platinum. Each plan level must cover the same “essential health benefits”: https://www.healthcare.gov/what-does-marketplace-health-insurance-cover. Lower-tier Bronze and Silver plans will have lower monthly premiums, but higher levels of “cost sharing” – the amount one pays out-of-pocket in the form of deductibles, coinsurance, and co-payment; higher-tier Gold and Platinum plans will have higher monthly premiums, but lower levels of cost sharing: https://www.healthcare.gov/how-do-i-choose-marketplace-insurance.

The different plan levels are pegged to “actuarial values.” All Bronze plans must have a 60% actuarial value (AV), Silver plans must have a 70% AV, Gold plans must have an 80% AV, and Platinum plans must have a 90% AV. What this means is that Bronze plans cover 60% of all health care costs for an average person, Silver plans would cover 70% of those costs, and so on. This does not mean that a Bronze plan would cover 60% of all costs for any individual consumer, it is only an average.

WHEN WILL UNDECIDED STATES HAVE TO MAKE A FINAL DETERMINATION ON WHETHER TO EXPAND MEDICAID? FOR EXAMPLE, STATES LIKE VIRGINIA?

According to the Centers for Medicare and Medicaid Services (CMS), there is no deadline for states to expand Medicaid – although if there is no plan in place by January 1, 2014, consumers would start to be affected: http://media.mcknights.com/documents/38/tavenner_to_govs_9266.pdf.

WHERE WE FIND THE TAX CREDIT AVAILABILITY FOR STUDENTS? IS THERE A CHART AVAILABLE TO ADVISE THEM?

Students can use this tool from the Kaiser Family Foundation: http://kff.org/interactive/subsidy-calculator/. After they input their information, they can find if they may be eligible for Medicaid or a premium tax credit, and the amount of credit they could be eligible for. Starting October 1, 2013, students will be able to fill out an application on healthcare.gov and see what plans they’re eligible for.

RIGHT NOW, A 21-YEAR-OLD OR OLDER INDIVIDUAL COULD APPLY FOR MEDICAID ON HER OWN, WITH THE NEW HEALTH CARE LAW, WILL THAT CHANGE BECAUSE THE AGE WHEN DEPENDENT COVERAGE ENDS INCREASED TO 26 YEARS OLD?

No. Young adults who are eligible for Medicaid – either under current state law or under the new Medicaid expansion available in some states – will still be able to apply, regardless of whether they could get covered under a parent’s plan. Getting covered on a parent’s plan is optional.

HOW DOES THE SYSTEM EXPECT PEOPLE TO BE ABLE TO AFFORD THESE PREMIUMS UNTIL THE TAX CREDITS COME IN A YEAR LATER? IT’S THE SAME DILEMMA THAT CREATES THE UNDERUTILIZATION OF AOTC IN YOUNG PEOPLE.

The premium tax credits that are available are actually a new kind of tax credit that can be applied immediately to lower the cost of your monthly premiums … you don’t have to wait until tax time to get them! Advance payments of the credit can be applied to lower premiums each month, up to a maximum amount.

For example, say a 28-year-old community college student who works part-time and makes $16,000 a year wants to buy a plan on the new health insurance marketplace. Before tax credits, a mid-level plan might cost her $273 per month. However, based on her income, she could qualify for a premium tax credit of $229 per month. If she takes this tax credit in advance/upfront, she would only have to pay $44 per month for a mid-level plan on the marketplace. Her credit would
then be sent automatically to her insurer and she would only have to pay the reduced rate for her insurance.

If the amount of advance credit payments you use is less than the total you’re due at the end of the year, you can have the difference refunded on your taxes. If your advance payments at the end of the year are actually more than your credit (perhaps because you underestimated what your income for the year would be), then you would owe money on your taxes.

**WHAT WILL THE MONTHLY COST BE FOR THE CATASTROPHIC PLANS?**

The monthly cost of catastrophic plans – available to consumers who are either under 30 or who can’t find other affordable coverage – will vary. In general, these plans will have a lower monthly premium than even a Bronze plan. However, the out-of-pocket costs – in the form of deductibles, coinsurance, or co-payments – for these plans will be much higher. Aside from three primary care visits and certain preventive services, the coverage under these plans will not kick in until an individual spends around $6,000 on health care. Thus an individual is only better off purchasing one of these plans if they use very little health care (which is, of course, difficult to determine in advance).

In addition, the new premium tax credits – used to lower a consumer’s monthly premium – cannot be used to buy catastrophic plans. This means that in some cases, it will cost a consumer less each month after tax credits to buy a Bronze or Silver plan on the Marketplace than a catastrophic plan.

**HOW DO STUDENTS JOIN? IS THERE AN 800# OR WEBSITE WE CAN PROVIDE OUR STUDENTS INFORMATION?**

The federal government has set up an online portal at [http://www.healthcare.gov](http://www.healthcare.gov) to provide information to consumers about their new health insurance options. The website has an online chat function, available 24/7: [https://www.healthcare.gov/chat](https://www.healthcare.gov/chat). Consumers can find state-specific information through the federal website. In addition, a national 800 number is available for consumers to speak to customer service representatives, also available 24/7: 1-800-318-2596 (TTY: 1-855-889-4325). Assistance in languages other than English and Spanish is available through the call center.


**DO THEY HAVE TO BE A FULL-TIME STUDENT TO BE ELIGIBLE?**

No. With the exception of Student Health Insurance Plans, which are made available through individual schools to the students at that school, the new health care options available under the Affordable Care Act are open to anyone who meets the eligibility requirements for that option, regardless of whether or not they are a student or attend part- or full-time.

**WILL COMMUNITY COLLEGES BE REQUIRED TO CONFIRM THAT THEIR STUDENTS HAVE HEALTH INSURANCE? HOW WILL THEY DO SO?**

No, community colleges will not be required to confirm that their students have insurance. However, starting in 2014, any individual who does not have insurance will have to pay a penalty through their taxes. The penalty will start small but gradually increase – in 2014, it will be the greater of $95 per individual or 1% of their income, by 2016, it will be $695 per individual or 2.5% of their income. Community colleges do have an interest in whether their students have health insurance, however, as a lack of health insurance have been found to hinder college completion.
WHAT IS THE APPLICATION COST WHEN APPLYING FOR A PLAN THROUGH THE MARKETPLACE FOR THE FIRST TIME?

There is no application cost for applying to a plan through the Marketplace – it’s free! Application assistance is also available at no cost online (healthcare.gov), over the phone (1-800-318-2596, TTY: 1-855-889-4325), or in person (from individuals and organizations acting as Navigators, Assisters, or Certified Application Counselors for the new health insurance marketplaces in each state).

MY STATE (SC) IS NOT GOING TO PARTICIPATE IN THE MEDICAID EXPANSION. WHAT OPTIONS WILL LOW INCOME STUDENTS HAVE AVAILABLE TO THEM?

Those making between 100 and 400% of the poverty level – about $11,500 and $46,000 for an individual – will be eligible for premium tax credits in states that do not participate in the Medicaid expansion. Individuals with a very low income (below $10,000 for an individual), those who would have to pay 8% or more of their income for health insurance (after employer contributions and premium tax credits), or those under 133% of the poverty line (about $15,000 for an individual) in states that do not participate in the Medicaid expansion, will not be subject to the penalty for being uninsured. In addition, those without health insurance may be able to receive care through Community Health Centers for little to no cost. However, if a state does not expand Medicaid, it will severely limit the options for young adults below 100 percent of the poverty line seeking to buy health insurance.

FOR SOME OF OUR STUDENTS, EVEN PAYING $40/MONTH IS A HARDSHIP. WHAT CONSTITUTES A “HARDSHIP” UNDER THE LAW?

To qualify for a “hardship exemption” to the individual mandate/penalty, an individual must be unable to find a plan that is less than 8% of her annual income. This is calculated after any potential premium tax credits she might eligible for and any employer health care contributions are applied.

In addition, consumers with incomes below the threshold for having to file income taxes (currently $10,000 for an individual), and consumers under 133% of the poverty line (about $15,000 for an individual) in states that do not participate in the Medicaid expansion, will be exempt from the penalty.