

THE AFFORDABLE CARE ACT (ACA) AND HEALTH INSURANCE FOR INTERNATIONAL STUDENTS

Frequently Asked Questions

The **Affordable Care Act** is a healthcare reform law designed to help increase the accessibility, affordability and overall quality of healthcare in the United States.

Signed into law by former President Obama, the ACA requires that all U.S. taxpayers maintain health insurance coverage meeting certain criteria. Those who don't maintain health insurance coverage may be subject to fines. While individuals covered by the ACA do have the opportunity to be without appropriate health insurance for up to 90 days of the year without facing a penalty, most international students are exempt from the ACA altogether.

Understanding the ACA and its implications on health insurance for international students is essential for institutions looking to provide the best healthcare for their international student population.

The answers to these frequently asked questions are specific to laws and regulations issued by state and federal lawmakers. These are intended to provide a high-level overview of how the ACA and laws like it operate with respect to international students; it is not intended as legal or tax advice for any individual or organization.



Important Information

Most international students on **F, J, Q and M visas** have a “non-resident alien” tax status and are exempt from the individual mandate and generally won't have to purchase an ACA-compliant insurance plan until after their first five years in the U.S. International students, or those arranging coverage on their behalf, should seek independent advice on their specific situation to make sure a plan meets their needs.



Frequently Asked Questions

1 Does my state regulate international student health insurance in ways that differ from the federal ACA?

Although the ACA is a federal law, certain states may supplement federal regulations with requirements of their own. For example, New York has passed legislation that applies the concept of Minimum Essential Coverage to study abroad health plans under certain circumstances.

2 Do colleges or universities have any specific responsibilities to international students or federal agencies under the ACA?

The ACA does not require colleges and universities to offer any specific type of health insurance plan to international students, nor does the ACA impose any new reporting requirements if students are employed by the institution less than 30 hours per week.

3 Does the ACA affect study abroad health plans?

Study abroad plans are different. These plans supplement any existing coverage that students who are U.S. citizens and/or residents must carry to meet ACA requirements.

4 Is it mandatory for international students to purchase an ACA-compliant plan?

The individual mandate, which is part of the ACA, requires all individuals not already covered by an employer-sponsored or public insurance program to obtain an ACA-compliant insurance policy or pay a tax penalty. However, as of April 2021, the federal government is not imposing this penalty. States and jurisdictions like New Jersey, Massachusetts, and DC have their own individual mandates with penalties for non-compliance, but residents of most other states will not face a penalty. If a school's insurance waiver requirements are ACA-compliant then students will need to purchase an ACA plan.

5 Does the ACA affect international students' visa requirements?

While U.S. residents do generally have the opportunity to be without ACA-compliant health insurance for up to 90 days of the year without being subject to the individual mandate, most international students are exempt from the ACA altogether.

6 What are the alternatives to an ACA plan for international students in the U.S.?

As the answers above indicate, the ACA's requirements for international students do not result in a universal solution. Buyers therefore should continue to evaluate solutions for their students with the knowledge that the ACA does not dictate any one course of action. Students and learning institutions should consider whether international student and/or study abroad plans are right for them. Students who need or want full ACA coverage have the option of accessing the Health Insurance Marketplace® (www.healthcare.gov) to purchase a plan that meets their visa requirements.





The Benefits of an International Student Health Plan

Many U.S. universities require students enrolled at their school, including international students, to have health insurance. Health insurance policies and costs can vary, and some institutions offer their own plans in which students must enroll. While some schools provide their own coverage options for students, others do not require students to buy the university-sponsored insurance as long as they buy comparable coverage that meets or exceeds the school's requirements.

There are a few different ways that schools can handle health insurance coverage for their international students or scholars:

- **Mandatory Group Health Insurance Plan –** Institution requires that all international students purchase the insurance plan provided by the school with no option to buy an alternative policy.
- **Mandatory Group Health Insurance with Option to Waive –** Institution offers students the option to purchase their own health insurance or opt into the group health insurance plan offered by the school.
- **Individual Health Insurance Plan –** In the rare instance where the institution doesn't offer a group insurance plan, students may purchase an individual insurance plan of their own choosing.

Providing the right mix of benefits international students need without the added cost of those they don't

International student health plans are designed to meet the unique needs of international students studying in the U.S. with benefits tailored to their situation and priced according to their needs.

- Many international students would prefer to return home to be near family if they were to suffer a serious medical emergency. ACA insurance plans don't typically offer emergency medical evacuation, emergency reunion coverage, bedside visit or repatriation benefits. International student health insurance plans generally do.
- ACA plans are designed to provide lifetime coverage, so they offer a wide range of benefits that international students would rarely have the opportunity to use, but for which they would still be expected to pay.
- ACA plans must provide coverage for wellness and preventive care. While getting immunizations, vaccinations and other annual physicals are important, having those benefits within an insurance plan raises the premiums significantly.

There are a variety of options available for educational institutions as they consider health insurance plans for their international students. Understanding the legal requirements as well as the choices your institution wants to offer international students are key to deciding on the type of plan and plan benefits.



For more than 20 years, GeoBlue has been providing customized, flexible international health insurance plans for the higher education market.

Contact us at studentsales@geo-blue.com for more information about our solutions and how we can help you tailor a plan to meet your needs.

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