

Understanding Your Options: International Student Health Plans and the ACA

Speakers: **SS:** Shannon Speers, Senior Marketing Manager, GeoBlue (*Moderator*)

JS: John Shanley, Compliance Director, GeoBlue

WS: Will Sanchez, Esq., General Counsel, GeoBlue

AA: Alison Abbott, Manager, Student Account Management, GeoBlue

JS: Thanks, Shannon. I'm very happy to be with you today. It's not news to any of us that many industries have been hard hit by the global pandemic, and academic institutions were no exception. While most college students were impacted by the shifting dynamics, perhaps no other group was made more vulnerable during the crisis than international students, a group that continues to represent a considerable portion of our student membership.

GeoBlue has had the privilege to support their unique needs for more than 20 years. While the industry has faced many hurdles since the crisis began, the news is not all bad. With more people being vaccinated globally, an increasing number of campuses reopening, international travel increasing, and a gradual return to a new normal for administrators and students. As your clients begin to evaluate how to best support the health, well-being, and a sense of security of their students, it is important for you to keep them informed of the best options available. And that's why we're here today, to discuss options as they relate to the international student health plan, and the Affordable Care Act.

We're happy to have two guest speakers with us today to take you on this journey, Will Sanchez, GeoBlue's General Counsel, and Alison Abbott, Manager of our Student Account Management team. Before we begin, I'd like to reintroduce you to our moderator for today's session, Shannon Speers.

SS: Well, thank you, John. Of course, we're pleased to have John Shanley here as our Compliance Director at GeoBlue,

and we thank him for providing our opening remarks. Vince, if you could move ahead to the next slide, please.

SS: Thank you. All right, so thanks again, John. One quick caveat before we begin. Today's session is going to provide an overview of regulations issued by state and federal lawmakers. This discussion is 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.

SS: So before we dive into the presentation, we want to hear from you. Let's do a quick poll question and find out what percentage of your clients offer their international students integrated, meaning combined domestic and international, health plans. We'll give you a moment to answer the poll question. Vince.

You can answer the poll question on the right of your screen. We'll give it one more ... couple of seconds here. Vince, I think we can go ahead and tabulate.

Okay, interesting. Today should really help to shed some light on the reasons carving out a different solution for international students might be advisable. Good to know. Okay, moving forward.

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. Will, let's start with the basics. Can you tell us what the ACA is?

WS: Sure, of course. So it's a law with many names. Officially it's the Patient Protection and Affordable Care Act, or the Affordable Care Act, or ACA for short. You would have heard it called Obamacare, certainly. But it's a law that was signed into law over 10 years ago, in 2010 by President Obama. The main aim is to make healthcare more accessible and affordable, and just improve the overall quality of healthcare for Americans, and by Americans, I mean U.S. taxpayers and people who are subject to the ACA, which becomes important a little bit later.

WS: But essentially, it requires all taxpayers covered by the ACA to maintain qualifying coverage, or what's called minimum essential coverage. There's a window of time, generally 90 days, in which you can be kind of between



plans, but you have to have qualifying coverage outside ... within that 90 day window or you're subject to a tax. Technically, since 2019, the tax is set to zero, so there is effectively no penalty in place now. But again, that applies to U.S. taxpayers. Students, international students in particular, almost always will be outside of it, and will be exempt from the ACA altogether, although there could be cases where they could opt in.

SS: Got it. Okay. Do individual states regulate international student health insurance in ways that differ from the federal ACA?

WS: Some do. So the ACA, famously with the lawyers, is inspired by a state health law, specifically the Massachusetts health care law, and the ACA and Massachusetts law inspired other states in turn. So a few States do have their own individual healthcare law and individual mandate laws. New York is an important example. So states like New York and a few others, they supplement ACA requirements. New York, for example, has its own burden of minimum essential coverage that applies to any health plans issued to institute of higher education or higher learning, which includes study abroad.

SS: Okay. So do colleges or universities have specific responsibilities to international students or federal agencies under the ACA?

WS: Not under the ACA itself. The ACA doesn't require colleges or universities to offer any specific type of health insurance to international students, and it doesn't impose any reporting requirements on students who might work for your institution as long as that's for less than 30 hours [inaudible 00:10:43].

SS: Okay. I know we're talking about international students inbound students, but does the ACA affect study abroad health plans?

WS: So study abroad plans are different. The overall mission of the ACA is to make sure that people have kind of really comprehensive cradle to grave coverage. When someone is studying abroad, whatever coverage you might have is really a supplement to that fulsome coverage that they already have because they need [inaudible 00:11:06]

SS: Got it. Okay. All right. So Vince, moving forward.



All right, Will, I'm still going to pick on you here. There's some different requirements according to visa type. Can we go through what some of those differences are?

WS: Sure. Let's just take a look at the slide. Students and scholars or people on cultural exchanges will generally fall into one of four visa categories, so F, M, J, and Q visas. These are all a non-resident alien status, tax people, taxpayers, so they likely won't have to purchase an insurance plan that that is covered by the ACA, at least until they've been in the U.S. for the first five years. F and M visa holders usually don't have any government regulator requirements, but they will have to follow up, of course, any minimums that their [inaudible 00:11:57] required. F-1 visa holders in particular, they'll usually find the schools have their own requirements on health plans, and they'll require students to join a plan issued by a school board or they can purchase their own coverage.

AA: Yeah, and it's also really important to note that a plan suited for a long-term or permanent resident in the U.S. is generally not ideal for a short term student visitor.

SS: Okay. Well, can you expand on that, Alison?

AA: Yeah, of course. So international students, they really need a plan that specifically targets their unique situation. So they're a long way from home and if something happens, they need a plan that covers medical evacuation and emergency family travel. It's really important to have a plan that both covers and can organize both of these things. And of course nobody ever really wants to need these benefits, but if something happens, they really are essential.

SS: That makes sense. Vince, move ahead, please. So Alison, we support a lot of scholars. So can you talk a little bit about J-1s and their requirements?

AA: Yeah. So J-1s actually have a very strict list of government insurance requirements that have to be met throughout the duration of their stay. You can see those requirements here on the slide. Also, they may actually have even more additional school requirements, depending on their college or university.



- SS:** Interesting. Vince. So Alison, you're our health plan expert on the panel. What can you tell us about the options that exist for international student health coverage?
- AA:** Yeah, so there's primarily three different ways that students can purchase coverage. There's a mandatory group health insurance plan, which is all international students purchase the insurance plan provided by the school or institution with no options to buy an alternative policy. This is generally the best option since it ensures that all students have vetted coverage.
- AA:** There's also the mandatory group health insurance with the option to waive. So this is also a good option depending on your student population, but this is a group plan. And sometimes the institution will allow for a waiver, provided that the student can show proof that they have an accessible insurance policy. And the individual voluntary health insurance plan, this is a little bit of the most risky plan because it really doesn't provide any checks and balances. The students can purchase whatever policy they'd like at whatever price point they like. And a lot of times they could have some surprise billing come in from this one.
- SS:** Interesting. Okay. Let's move ahead. So if we can talk a little bit more about how plans ... or specifically, Alison, is it fair to say that international plans differ quite a bit compared to an ACA plan?
- AA:** Yeah, they absolutely can. I mean, if you think about it this way ... so, as Will said earlier, ACA plans are really designed to provide a lifetime of coverage. So they really offer a wide range of benefits that international students would rarely have the opportunity to use, but for which they would still need to pay ... so for example, hospice care or organ transplants. The ACA plans also typically have high deductibles, high member cost share, and high monthly premiums. And the U.S. health care system can be incredibly confusing for international students. So having a more simple, straightforward health plan can really benefit the students' understanding of health
- AA:** So, stated most simply, international student plans are designed to meet the unique needs of international students studying in the US. The benefits are tailored to their situation and priced according to their needs. One of the other things that we see a lot is claims related to mental

health and accidents. They're quite common for students, and most international students would prefer to return home to be near family if they were to suffer a serious medical emergency, and the ACA plans don't typically offer emergency medical evacuation, emergency family travel, or repatriation of remains benefits. As we said earlier, those are definitely really important benefits to have.

SS: Yeah, these benefits really seem so crucial. And with the escalating mental health crisis in young adults, the need to arm international students with the right solutions seems like it can't be overstated.

AA: Yeah, I think that's definitely true. I mean, incidentally in 2019, a third of GeoBlue's emergency evacuation and repatriation cases were for students dealing with a mental health crisis.

SS: Wow. Let's move ahead. All right, Alison, it's still you. So let's talk a little bit why many institutions move to an ACA-exempt plan for international students?

AA: Sure. So some of the key reasons are that mandatory health insurance plans provide consistency for members and administrators. Also, as I said before, ACA plans typically include coverage that international students really just don't need. I mean, if you think about it, how many international students are going to need hospice care? And again, they also lack those really important benefits, such as medical evacuation, family travel, et cetera.

AA: And also those unnecessary benefits, like the ones in the ACA, do raise the cost of the insurance plan, and many students are here on a tight budget and it really doesn't make a lot of sense to require them to purchase those benefits. And most importantly, U.S. health insurance is super complicated. As providers are becoming more accustomed to the implications of the ACA, prices are rising and coverage is becoming more difficult to understand and navigate. Just imagine being a foreign student, using English as a second language while needing some type of medical system. Expecting them to understand an ACA plan is a lot ... for example, the pre-certification process commonly found with ACA plans. I mean, I can barely understand that process, so I can't even imagine what a foreign speaker would think of this.

SS: For sure.



- AA:** Yeah. So again, ultimately customized plan designs to serve international students really are a great way to just cover all your bases.
- SS:** That's great. Let's move ahead. All right Alison, so since you've mentioned group insurance plans, what can you tell us about GeoBlue's specific solution for international students?
- AA:** Yeah, so you can see here on the slide, these plans are very flexible and they really can be tailored to the unique needs of the groups. And member service is always important. So our GeoBlue blue team is US-based and it's comprised all of GeoBlue employees. They're very experienced, they're culturally sensitive, and most of them speak multiple languages. We're also available 24/7 to help members navigate the healthcare system. We're also able to connect members to care everywhere. I mean, this plan offers our inbound members access to the largest healthcare professional network in the United States. And best of all, since GeoBlue bills ... since providers can bill GeoBlue directly, there's rarely any upfront expenses to our members, regardless of where the care is accessed within network, inpatient or outpatient. And as always, we encourage you to contact your GeoBlue sales representative to discuss the unique needs of your clients.
- SS:** Thanks, Alison. All right. So brief conversation, I think a lot of really great information here. So I want to say thank you to our presenters. But at this time, we're going to open it up to Q and A. So if you have a question, please post it in the Q and A box at the right of your screen, and you can direct that question to me, Shannon Speers, and we'll give you just a couple of moments to enter any questions that you may have at this time.
- I do see a couple of questions here. So the first one is, can you tell us why an individual health plan is so risky for students and administrators? So that ... Alison, is that a question for you, do you think?
- AA:** Yeah, I can totally answer that one. So, I mean, think about it this way. So our health system and our insurance plans are super complicated. Foreign students, when they're looking to purchase a plan, they're not going to be looking at exclusions for simple things like drugs or alcohol, or even mental health. They also, aren't going to be looking for pre-ex clauses, member cost share limits, or anything



like that, simply because that just doesn't really exist in their home countries.

AA: And students, they'll typically take the absolute lowest cost option thinking they're never going to need insurance. And then when something happens, they're going to find out that their plan doesn't cover it or barely covers it, and they're going to get smacked with a really high bill. I mean, think, for example, if you have a student that goes to the emergency room for alcohol poisoning, and then they find out that the plan that they purchased has a drug and alcohol exclusion on it. Well, guess what? [crosstalk 00:21:46] You get a \$10,000 bill.

SS: Oh, no. So college students end up with alcohol poisoning cases, is that what you're saying here? Okay. So ...

AA: Well ...

SS: Okay. So I've got another one here, and this looks like a Will question. So I heard that the individual mandate is unconstitutional and that the government isn't applying penalties for not maintaining ACA coverage. Is the ACA something we even have to worry about anymore?

WS: So we do for now, and it's not exactly that it's unconstitutional. So ... and this goes back a ways, but back in 2012, there was a challenge ... before that, there was a challenge to the individual mandate. So essentially, how can the federal government require you to buy something? Is that constitutional? And to those levels, the Supreme Court said that it is because it's a tax. The Congress, the federal government has the power to tax you for doing something or for not doing something.

What happened was after the Trump administration, in 2017, I think it was, Congress set the tax on the individual mandate penalty to zero. So since tax year 2019, you are required to carry qualifying coverage, but if you don't, you're [inaudible 00:23:03] a tax of \$0.00. So there is a Supreme Court case winding its way through the court now ... or it's basically been briefed and argued, I think it was in November. It was for argument on [inaudible 00:23:18] asking that question. So if something is a tax, the tax is zero, it's almost like a zen question. If you tax [inaudible 00:23:24] there's no amount of tax at all and therefore is it constitutional?



That's one question the court is answering. And if it says that indeed the tax being zero is unconstitutional, does that mean that all the ACA is unconstitutional? It's anybody's guess how it will play out. What I've heard is more likely, the ACA is likely to survive in one form or another. So even if the penalty and the individual mandate itself is declared to be unconstitutional, there's probably a pretty good argument for declaring that the law itself doesn't all fall if you pull out that peg. There's different questions of whether it works and the operation does what it's supposed to do, but we'll see.

SS: Great, thanks, Will. So I have a question here, can we talk a little bit about COVID coverage specifically, testing and services resulting from a positive COVID diagnosis under GeoBlue international student plans?

SS: Again, if we're not able to answer a question today, we can always follow up with an answer that we feel is most suitable following the session. Get a thumbs up from our ...

WS: I mean, I can start ...

SS: You want to talk about that one a little bit, Alison?

AA: Sure. So right now, GeoBlue treats COVID-19 the same as any other illness under the plan, under all of our plans. And Will and John can jump in here as well, but the testing is covered at a hundred percent with no member cost share, but treatment is following the schedule of benefits in the client's client's plan.

SS: Great. So a couple of more questions that I'm seeing in here. Why are mandatory health plans the safest option, and do you have examples?

AA: I can take this one if you like.

SS: Okay.

AA: All right. So I think by offering the mandatory plan, students, parents and administrators really do have peace of mind. So you're going to know exactly what's covered, what the member cost share will be, and for example, if there's like a mass casualty event such as a bus accident with multiple injuries or even fatalities, having one reputable company to coordinate with is going to make your job as an administrator so much easier. And you're



not going to need to worry that a student is going to walk away with a hundred thousand dollar bill because they had inadequate coverage.

AA: Another thing to think about is if there is such a mass event, then if it's a really high profile, what's the, what's the risk profile for the university look like as far as public image if some of their students don't really have the coverage that they need?

SS: Right. Got a couple of other questions that I see in here. I feel like these are questions that are picking on you, Alison. What's the difference ... unless of course, John, you want to jump in here, Will, you to jump in here as well. What's the difference between a medical evacuation and repatriation of remains.

JS: I can handle that if you'd like.

AA: John, you want to take that one?

SS: You're not going to win any prizes here, John, but I think you've got this one.

JS: Well, an evacuation by definition is the transfer to a higher level of medical care. And so that can be ... if we're talking about study abroad, it could be anything from a transfer from a remote location to a center of excellence, or it could also be an evacuation back to the United States. Repatriation of remains is the unfortunate incident when a member has been deceased and we're returning his body back to his home country. Unfortunately, we do see that more often than we would like, both inside the United States and outside the United States, and it's usually a result of a very tragic event, so it is stressful for everyone from the family and the school administrators.

Shannon Speers: **SS:** Thanks, John. So kind of on that same note, what is considered emergency family travel, and does that typically bring someone to a patient's bedside in that situation? Can you expand on that a little bit?

John Shanley: **JS:** Yes. I can take that one again. Emergency family travel is a benefit in the event that someone is hospitalized, one of the members of the students. So we will pay for sort of the compassionate visit of one of their family members that they designate to come to the United States, or if it's an overseas event, to fly into the foreign country to be by the



bedside and comfort or assist in the care and recovery of the student.

Shannon Speers: **SS:** That's great. So is that anything like a family reunion benefit? What is that, and is that something that GeoBlue offers?

John Shanley: **JS:** We do offer that, and it's essentially almost the opposite. So what we call a family reunion benefit is if, while that person is studying, either again overseas or within the United States, and should there be a death in the family or some kind of medical emergency in the family that requires that student to get back to the United States, we can cover the cost of their commercial air transport to go be back with their family member in their time of need. Usually that's done on a temporary basis. The student has to take a ... not necessarily a leave from school, but has to depart from the program on a temporary basis.

Shannon Speers: **SS:** Great. Thanks, John. Well, we do have the opportunity to take a few more questions. I'll give you folks another few seconds to enter any questions into the chat at this time. You can direct them to me, Shannon Speers. If you have a specific question for a specific panelist, you can direct it to them as well. So we'll give that another moment.

I know we seem to have gone through quite a lot of questions and you guys have very capably answered them all. Thank you so much.

And I think if we don't receive any more questions within the next second or so, we can close this session. And I think, John, I'm going to hand it over to you ...

JS: Sure. With that, we want to thank our panelists, Will and Alison, as well as Shannon for moderating today's discussion. Your insight helped to enhance our understanding of the ACA's impact on international student health plans, making it easier for our broker partners and clients to evaluate what's best for their international students.

We'd also like to thank everyone for taking the time on the line for joining us today. Please be sure to complete the survey that will appear on your screen immediately after we end this webinar. Also, be on the lookout for our guide on the ACA and considerations for international students. We're going to email that to your email address that you



used to register for this seminar. Also, stay tuned for details about our next The Global Advisor event. Until that time, stay healthy, stay well, and we hope to see you again at our next event.

SS: Thanks John. Thanks everybody.

