

HEALTH INSURANCE COVERAGE ~ MANDATORY

PURCHASING INSURANCE OUTSIDE OF UAF:

Currently, UAF does not offer an employee health insurance plan that complies with the U.S. Department of State requirements. You must provide documentation and your policy **must meet** the U.S. Department of State coverage specifications. Please see additional information on the following page.

When providing health insurance coverage, bring the following information to the Office of International Programs and Initiatives:

1. A copy of your health insurance policy;
2. Policy must include **your name** and **effective policy dates**;
3. Policy must outline benefits;
4. All insurance documentation must be submitted in English.

REQUIRED COVERAGE AMOUNT INFORMATION SUMMARY:

1. Medical benefits of at least \$100,000 per accident or illness;
2. Repatriation of remains in the amount of \$25,000;
3. Expenses associated with the medical evacuation of the exchange visitor to his or her home country in the amount of \$50,000; and
4. A deductible not to exceed \$500 per accident or illness.
5. An insurance policy secured to fulfill the requirements of this section:
 - a. May require a waiting period for pre-existing conditions that is reasonable as determined by current industry standards;
 - b. May include provisions for co-insurance under the terms of which the exchange visitor may be required to pay up to 25% of the covered benefits per accident or illness; and
 - c. Must not unreasonably exclude coverage for perils inherent to the activities of the exchange program in which the exchange visitor participates.
6. Any policy, plan, or contract secured to fill the above requirements must, at a minimum, be: Underwritten by an insurance corporation having an A.M. Best rating of "A-" or above; a McGraw Hill Financial/Standard & Poor's Claims-paying Ability rating of "A-" or above; a Weiss Research, Inc. rating of "B+" or above; a Fitch Ratings, Inc. rating of "A-" or above; a Moody's Investor Services rating of "A3" or above; or such other rating as the Department of State may from time to time specify; or backed by the full faith and credit of the government of the exchange visitor's home country.

WHERE TO FIND INSURANCE INFORMATION:

The UAF Office of International Programs and Initiatives does not endorse or recommend any specific company. The following companies provide insurance policies that meet or exceed the U.S. Department of State requirements:

Compass Benefits Group: www.CompassStudentHealthInsurance.com

International Student Protection:
http://www.intlstudentprotection.com/insurance_plans/temp_visitors.php

ISO Gold/Silver/ISO Med 1: <http://www.isoa.org/>

PSI Health Insurance: www.psiservice.com Note: as of Summer, 2014, the Gold Plan does not meet the Department of State coinsurance requirement.

MANDATORY HEALTH INSURANCE

PURPOSE OF THIS SHEET

The U.S. Department of State, the U.S. federal department responsible for the J-1 visa category, requires all Exchange Visitors, including all of their dependents who will travel to the U.S. in J-2 status, to have health insurance during their stay in the U.S. This page explains the need for health insurance in the United States and outlines the minimum amount of coverage that J-1 visa holders and their dependents are required to have. Some of the terms generally used in discussions of health insurance will also be defined. Documentation of insurance coverage must be provided in English on or before arrival in the U.S. to the UAF Office of International Programs & Initiatives.

THE REQUIREMENT

Exchange Visitors in the U.S., under a rule effective September 1, 1994, are required to have health insurance for themselves and J-2 dependents for the full duration of the J program. U.S. regulations state that if, after September 1, 1994, you willfully fail to have health insurance for you and/or your dependents, your J-1 sponsor must terminate your program, and report the termination to the Department of State in Washington, D.C. The organization that issues your U.S. Department of State Certificate of Eligibility for Exchange Visitor (J-1) Status (COEEV) - Form DS-2019 is your sponsor (see Item #2 on your COEEV - Form DS-2019.).

THE REASON FOR THE REQUIREMENT – AND THE NEED FOR HEALTH INSURANCE

In many countries the government provides health care of its citizens and sometimes even for visitors. In contrast, in the U.S., people are responsible for these costs themselves. Since a single day of hospital and medical treatment can cost thousands of dollars, many hospitals and doctors refuse to treat uninsured patients except in life-threatening emergencies. Insurance provides protection against the enormous costs of health care in this country.

HOW MEDICAL INSURANCE WORKS

When you purchase health insurance, the money you pay (called a “premium”) is combined with the premiums of others to create an account that is then used to pay the medical bills of the participants who need health care. Your health insurance remains valid only as long as you continue to pay the insurance premiums.

Once you purchase insurance, the company will provide you with an insurance identification card for use as proof of your coverage when you are seeking health care from a doctor or hospital. The company will also provide written instructions for reporting and documenting medical expenses (called “filing a claim”). The company will evaluate every claim that you submit and make the appropriate payment for coverage under your particular policy (not all policies are the same). In some cases the company pays the hospital or doctor directly; in other cases the company reimburses the policy holder (you) after he or she has paid the bills. In other instances, the individual must pay the bill in full first and then have the insurance company reimburse the payment.

CHOOSING AN INSURANCE POLICY

The J-1 sponsor may include coverage as part of sponsorship, without further cost to you. The sponsor may have selected and approved a specific policy for all its Exchange Visitors, and may require you to buy that insurance as soon as you arrive in the U.S. In many cases, you will be required to select and purchase your own insurance coverage.

In choosing an insurance policy, you should consider many factors, not simply the minimum required by the Department of State regulations. Some factors to consider include:

- The reliability of the company. Does the company have a 1-800- telephone number (free to you) so that you can call with questions? When you call, does the company staff answer your questions and resolve your problems quickly? Does it treat people fairly? Does it pay claims promptly?
- Deductible amounts. Most insurance policies require you to cover part of your health expenses yourself (called the “deductible”) before the company pays anything. Under some policies the deductible is annual, and you pay only once each year if you use the insurance. Under other policies, you pay the deductible each time you have an illness or injury. **The J regulations limit the deductible to \$500 per accident or illness, but many policies offer a lower, more advantageous deductible.** In choosing insurance, you should think carefully about how much you can afford to pay each time you are sick or injured, and evaluate the deductible and the premium before you decide.

- Co-insurance. Usually, even after you have paid the deductible, an insurance policy pays only a percentage of the medical expenses. For example, the policy may pay 80% of the expense after the deductible and the remaining 20% you would have to pay (called co-insurance). Therefore, if you were injured and incurred \$3,000 in medical expenses, a policy (with a \$400 deductible and 20% co-insurance) would pay \$2,080, or 80% of 2,600. **The J regulations require the insurance company to pay at least 75% of covered medical expenses.**
- Specific limits. Some policies state specific dollar limits on what they will pay for particular services. Other policies pay "usual" or "reasonable and customary" charges, which means they pay what is usually charged in the local area. Be very careful in evaluating policies with specific dollar limits; for serious illnesses, the limit might be far too low and you might have large medical bills not covered by your insurance.
- Lifetime/"per-occurrence" maximums. Many insurance policies limit the amount they will pay for any single individual's medical bills or for any specific illness or injury. **Exchange Visitors must have insurance with a maximum no lower than \$100,000 for each specific illness or injury**, which may be enough for most conditions. Major illnesses, however, can cost several times that amount.
- Benefit period. Some insurance policies limit the amount of time they will go on paying for each illness or injury. In that case, after the benefit period for a condition has expired, you must pay the full cost of continuing treatment of the illness, even if you are still insured by the company. **A policy with a long benefit period provides the best coverage.**
- Exclusions. Most insurance policies exclude coverage for certain conditions. **The J regulations require that if a particular activity is a part of your Exchange Visitor program, your insurance must cover injuries resulting from your participation in that activity.** Read the list of exclusions carefully so that you understand exactly what is not covered by the policy.
- Vision and Dental Insurance. Most health insurance policies do not cover vision or dental problems. The health insurance company may have separate policies that cover vision and dental expenses, but you would pay an additional premium.

NOTE: Under the Affordable Care Act (ACA) which governs health insurance coverage for all people residing in the U.S., exchange visitors may be or become subject to the individual mandate provision of the Act if they become U.S. residents for U.S. tax purposes.

REQUIRED INSURANCE SPECIFICATIONS

In addition to the deductible, co-insurance, and exclusions described in bold type in the preceding section, the Department of State has established the following requirements for the type and amounts of coverage you are required to have if you hold J-1 or J-2 status:

- The policy must provide "medical benefits of at least \$100,000 for each accident or illness," according to the text of the regulations. Since insurance companies cover no more than the policyholder's expenses (minus a deductible and under co-insurance, a percentage), and never provide a minimum amount for each accident or illness, this means that an acceptable policy cannot set a maximum lower than \$100,000 in benefits for each accident or illness.
- If you should die in the U.S., the policy must provide at least \$25,000 in benefits to send your remains to your home country for burial.
- If, because of a serious illness or injury -- and on the advice of a doctor -- you must be sent home, the policy must pay up to \$50,000 for the expenses of your travel.
- The policy may establish a waiting period before it covers pre-existing conditions (health problems you had before you bought the insurance), as long as the waiting period is reasonable by current standards in the insurance industry.
- The policy must be backed by the full faith and credit of your home country government or the company providing the insurance must meet minimum rating requirements established by the Department of State (A.M. Best rating of "A-" or above; a McGraw Hill Financial/Standard & Poor's Claims-paying Ability rating of "A-" or above; a Weiss Research, Inc. rating of "B+" or above; a Fitch Ratings, Inc. rating of "A-" or above; a Moody's Investor Services rating of "A3" or above).

INSURANCE AGENTS

An agent is an individual who represents one or several insurance companies and sells insurance to individuals and groups. When working with an agent you should feel free to ask questions and take the time to learn about and understand several choices before you make a decision. You should look for an agent or company that provides the most accurate information and responds quickly. If you are uncertain or confused, don't sign anything. Keep asking the agent to explain using different words until you understand what is covered by the policy.

Insurance Examples:

You have purchased a policy that has a \$500 deductible, that will pay 80% of customary charges and that has a limit of \$50,000 per incident. The policy also has specific limits (\$200 per incident) on what it will pay for diagnostic tests such as x-rays and laboratory tests. So you went skiing and fell. The people who helped you at the ski slope think that you broke your leg and called an ambulance to take you to a hospital. At the hospital, the doctor ordered three x-rays of your leg. The doctor determined that you had cracked the bone but not broken it and prescribed a walking cast for three weeks. He tells you to see him at the office (not the hospital) once a week for the next two weeks. Your bill might look like this:

Ambulance		\$500
Hospital		
	Emergency Room	300
	X-rays, 3 @ \$200 each	600
	Walking cast	300
	Medication for pain	150
Doctor #1	(who actually saw you)	
	Charge for seeing you at hospital	250
	Charge for seeing you in his office	
	\$80 each visit x 2	160
Doctor #2	(the radiologist – the specialist in x-rays)	<u>250</u>
Total		\$2,510

You will receive four bills, the first from the ambulance company, the second from the hospital, the third from Doctor #1, and the fourth from Doctor #2. When you arrived at the hospital, they asked you for insurance information. You will have to provide that information to the others also. In most cases they will bill the insurance company first, but the bills will not arrive at the insurance company at the same time.

You know that you have a \$500 deductible. If the insurance company gets the hospital bill first (\$1350), they will deduct the \$500 and pay 80% of the remainder, and you are responsible for the balance:

Hospital	\$1350	Ambulance	\$500
Deductible	<u>- 500</u>	Does the policy cover this charge?	
Subtotal	850	The percentage may be different from	
Less x-ray limit	<u>-200</u>	other coverage in the policy.	
Subtotal	650		
Less 80%	<u>-520</u>		
Balance	\$130		

Then the insurance company receives the bills from the doctors:

Doctor #1	\$410	Doctor #2	\$250
Deductible	<u>0</u>	Deductible	<u>0</u>
Less 80%	<u>-328</u>	Less 80%	<u>200</u>
Balance	\$ 82	Balance	\$ 50

Your costs: $\$500 + 130 + 82 + 50 = \762 . If you also have to pay for the ambulance, your cost = \$1,262. However, there may be a limit on the cost of the x-rays (for example, \$100/x-ray), or the insurance may only pay for one x-ray per incident. If the policy has this type of limits, you will pay more.

If your accident had been more expensive, for example, \$80,000¹, you would reach the limit of your policy and be responsible for everything over \$100,000.

Covered Bills	\$80,000
Deductible	<u>- 500</u>
Subtotal	79,500
80%	63,800
Policy limit	<u>100,000</u>
Balance you owe	\$13,800

¹ A stay in the hospital can be very expensive. The Intensive Care Unit (ICU) can cost \$5,000 per day; a regular room can cost \$2,000 per day.

TITLE 22--FOREIGN RELATIONS

CHAPTER I--DEPARTMENT OF STATE

PART 62_EXCHANGE VISITOR PROGRAM--Table of Contents

Subpart A_General Provisions

Sec. 62.14 Insurance.

- (a) Sponsors must require that all exchange visitors have insurance in effect that covers the exchange visitor for sickness or accidents during the period of time that they participate in the sponsor's exchange visitor program. In addition, sponsors must require that accompanying spouses and dependents of exchange visitors have insurance for sickness and accidents. Sponsors must inform all exchange visitors they, and any accompanying spouse and dependent(s), also may be subject to the requirements of the Affordable Care Act (ACA).
- (b) The period of required coverage is the actual duration of the exchange visitor's participation in the sponsor's exchange visitor program as recorded in SEVIS in the "Program Begin Date," and as applicable, the "Program End Date," "Effective Program End Date," or "Effective Date of Termination" fields. Information that is applicable specifically to Sponsors has been omitted. Minimum coverage shall provide:
 - (1) Medical benefits of at least \$100,000 per accident or illness;
 - (2) Repatriation of remains in the amount of \$25,000.
 - (3) Expenses associated with the medical evacuation of the exchange visitor to his or her home country in the amount of \$50,000; and
 - (4) Deductibles not to exceed \$500 per accident or illness.
- (c) Insurance policies secured to fulfill the requirements of this section:
 - (1) May require a waiting period for pre-existing conditions that is reasonable as determined by current industry standards;
 - (2) May include provisions for co-insurance under the terms of which the exchange visitor may be required to pay up to 25% of the covered benefits per accident or illness; and
 - (3) Must not unreasonably exclude coverage for perils inherent to the activities of the exchange program in which the exchange visitor participates.
- (d) Any policy, plan, or contract secured to fill the above requirements must, at a minimum, be:
 - (1) Underwritten by an insurance corporation having an A.M. Best rating of "A-" or above; a McGraw Hill Financial/Standard & Poor's Claims-paying Ability rating of "A-" or above; a Weiss Research, Inc. rating of "B+" or above; a Fitch Ratings, Inc. rating of "A-" or above; a Moody's Investor Services rating of "A3" or above; or such other rating as the Department of State may from time to time specify; or
 - (2) Backed by the full faith and credit of the government of the exchange visitor's home country; or
 - (3) Part of a health benefits program offered on a group basis to employees or enrolled students by a designated sponsor; or
 - (4) Offered through or underwritten by a federally qualified Health Maintenance Organization or eligible Competitive Medical Plan as determined by the Centers for Medicare and Medicaid Services of the U.S. Department of Health and Human Services.
- (e) Federal, state or local government agencies, state colleges and universities, and public community colleges may, if permitted by law, self-insure any or all of the above-required insurance coverage.

- (f) At the request of a non-governmental sponsor of an exchange visitor program, and upon a showing that such sponsor has funds readily available and under its control sufficient to meet the requirements of this section, the Department of State may permit the sponsor to self-insure or to accept full financial responsibility for such requirements.
- (g) The Department of State may, in its sole discretion, condition its approval of self-insurance or the acceptance of full financial responsibility by the non-governmental sponsor by requiring such sponsor to secure a payment bond in favor of the Department of State guaranteeing the sponsor's obligations hereunder.
- (h) Accompanying spouses and dependents are required to be covered by insurance in the amounts set forth in paragraph (b) of this section. Sponsors must inform exchange visitors of this requirement, in writing, in advance of the exchange visitor's arrival in the United States.
- (i) Exchange visitors who willfully fail to maintain the insurance coverage set forth above while a participant in an exchange visitor program or who make material misrepresentations to the sponsor concerning such coverage will be deemed to be in violation of these regulations and will be subject to termination as an exchange visitor.
- (j) Sponsors must terminate an exchange visitor's participation in their program if the sponsor determines that the exchange visitor or any accompanying spouse or dependent willfully fails to remain in compliance with this section.