

## **Bulletin 394**

### **Student Health Insurance Plans**

The purpose of this Bulletin is to explain the requirements that apply to student health insurance under the federal Affordable Care Act (ACA) and its implementing regulations. Because student health insurance is not employment-based, the ACA deems it to be a form of individual health insurance coverage. However, the ACA provides that institutions of higher education may continue to offer student health insurance plans,<sup>1</sup> and the United States Department of Health and Human Services has adopted a regulation, 45 C.F.R. § 147.145, exempting student health insurance plans that meet the requirements of the regulation from certain requirements otherwise applicable to non-grandfathered individual health insurance coverage.<sup>2</sup>

To qualify as student health coverage, a plan must offer coverage only in connection with enrollment as a student in the sponsoring institution of higher education, it must not condition eligibility for the health insurance on any health status-related factor, and it must meet any additional requirements under state law. The plan may offer coverage to students' dependents as well as students.

For carriers issuing student health insurance plans, this means that for plan years beginning on or after January 1, 2014, coverage must be provided for all ACA essential health benefits with no annual or lifetime limits. Pre-existing conditions may not be excluded. Preventive services as defined by the ACA must be covered without cost sharing when provided by an in-network provider, and coverage must be extended to adult children under the age of 26. Student health plans are also subject to all Maine mandates and essential benefit requirements. Finally, all student health plans must meet the cost sharing requirements of either Platinum, Gold, Silver, Bronze, or Catastrophic coverage as defined using the applicable federal actuarial value calculator.

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<sup>1</sup> PPACA § 1560(c)

<sup>2</sup> Grandfathered plans are plans that were in force on March 23, 2010, and have not made material changes to their benefits or cost sharing since that date. They are exempt from most new ACA requirements, but student plans are only eligible for grandfathered status with respect to particular students who have been continuously enrolled in the plan since March 23, 2010, and their covered dependents.

Student health insurance coverage is not subject to guaranteed issue or guaranteed renewability requirements of the ACA. Insurers are not required to offer coverage to non-students or enrollees who have stopped being students. In addition, student health plans are not included in a carrier's state or federal single risk pool but may be rated and priced using a separate nationwide risk pool for student health coverage. Rates may be based on a school-specific community as long as the rates are not based upon age or tobacco use.

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