

Students Should Take Time to Understand Health Coverage Options

COLUMBUS — The college experience brings more independence and responsibility, which includes understanding health insurance and the importance of securing coverage. The Ohio Department of Insurance has provided the following information in order to educate students on the available coverage options.

“College students and their families should consider carefully the most suitable health coverage for their needs as they would to find a computer or stereo,” said Ohio Department of Insurance Director Mary Jo Hudson. “This effort might prevent students and their families from suffering a huge financial loss due to injury or illness that could ultimately ruin their financial well-being. Department representatives are available at 1-800-686-1526 to review coverage options with students and to answer any questions.”

Tips for Students Who Need Health Insurance:

Parent’s Policy: A parent’s employer-sponsored health plan generally will cover a dependant until they are between 19 and 24 years old (if they are a full time student), whether they live at home or away at school. The age limitation will be stated in the certificate of coverage.

Coverage from College or University: Some colleges offer group health insurance coverage for students and recent graduates. These plans, generally, are not underwritten, meaning it’s difficult to be excluded from coverage. However, coverage may be limited and a pre-existing waiting period may apply. Be sure to check the coverage limitations.

High-Deductible Major Medical Policy: You may want to consider a High-Deductible Major Medical Policy if coverage is not available through a parent’s policy, or if the college or university coverage has low maximum limits. When it comes to insurance, no matter the type, higher deductibles usually mean lower premiums. However, high deductibles also mean you pay more out of your pocket for your care. You may be able to combine a Major Medical plan with a Health Savings Account (HSA), which basically allows you to spend pre-tax money on your smaller health bills, and use the Major Medical plan for the catastrophic expenses. However, to qualify for an HSA, you can’t be claimed as a dependent on someone else’s taxes.

Short-Term Insurance: While this insurance won’t cover pre-existing conditions, it is better than no coverage at all. You can generally take these out either on a month-to-month basis, or on a term of six to 12 months.

Discount Health Plan: These plans are not insurance products. They advertise discounts for services provided by certain physicians, hospitals and pharmacies. If insurance is unaffordable to you, these may serve as alternative options to lower your cost sharing in certain situations. Be certain to read the membership agreement. The Department has limited authority over these plans.

Traveling and Studying Abroad: Your parent's employer-sponsored health plan may cover certain incurred health expenses when abroad, so be sure to contact the insurer and verify coverage in advance of departure. Some companies also sell Special health insurance policies for traveling so be sure to check into this coverage as well.

Types of Health Insurance:

- Managed care plans such as Health Maintenance Organizations (HMOs) generally lock you into a network of providers and impose strict guidelines on care. You will have a network, co-pays and deductibles that apply to services.
- Preferred Provider Organizations (PPOs) generally allow more flexibility in that they allow for treatment with out-of-network providers, usually for larger co-pays.
- Indemnity products allow broad access to care, without network restrictions.
- When no contract is signed between the providers and the insurance plan, most claims are paid on a Usual and Customary Rate (UCR) for services, set by the insurance company. You can be billed the difference if a provider charges more than the UCR.