

Affordable Care Act Q&As for Lehigh Students

General Information

What is the Patient Protection and Affordable Care Act, and how does it affect Lehigh University?

This is the federal law that is often referred to as the Affordable Care Act (ACA) and nicknamed "Obamacare" by many. Among its provisions is the "employer mandate" which requires employers with more than 50 employees to offer employer-sponsored health care to certain employees and their dependent children or to pay an assessment for not doing so.

What is the "individual mandate?" Beginning in January 2014, the ACA required individuals to secure "minimum essential coverage" (as defined by the ACA), qualify for an exemption from this requirement, or pay a penalty when filing their income taxes. More information on the individual mandate is available from the Internal Revenue Service at <http://www.irs.gov/uac/Individual-Shared-Responsibility-Provision>.

Under the ACA, who is eligible for employer-offered coverage?

Employees who are expected at their hire date to work an average of 30 or more hours per week or who work an average 30 or more hours per week during a measurement period (defined by the University in compliance with ACA regulations) must be offered employer-sponsored health insurance that is compliant with the ACA -- meaning that the insurance offers a minimum level of benefits. These employees' dependents must also be offered coverage. Dependents include children, stepchildren, and foster children. It is important to note that spouses and partners are not considered dependents under the ACA.

Does Lehigh expect that many students will receive an offer of employer-sponsored health insurance as a result of the ACA?

No. Students are able to work more than 20 hours per week only with special approval. Therefore, it is unlikely that there are more than a very small number of students who are working, on average, 30 hours per week. In the fall of 2014, Lehigh reviewed its student payroll records to determine who might be affected by the new health care regulations. Almost all of the students who were qualified to receive offers of employer-sponsored health insurance were Gryphons. Other than Gryphons, Lehigh employs only a few Lehigh students for more than 30 hours per week. So Lehigh expects that moving forward, very few students will be affected by the new health insurance regulations.

How are students treated under the ACA?

The ACA does not make a distinction between students and non-students. It is the 30 hour-per week average that triggers ACA requirements regarding employer-sponsored coverage.

Under the ACA, are employers required to provide employer-sponsored health insurance for their student workers, and are students required to participate?

In order to avoid the payment of an assessment, employers are required to offer employer-sponsored coverage to employees, including student workers, who qualify. This coverage does not need to provide subsidized coverage for these employees' dependents. Employees are not required to accept coverage. As many Lehigh undergraduate and graduate students may have coverage through other sources -- spouses' insurance plans, parents' insurance plans, the student health plan, or other coverage -- they may elect to not participate in this health insurance plan (and thus not pay the employee portion of the premium for this employer-sponsored health insurance).

Does Lehigh currently offer health insurance coverage to students?

Yes. Both graduate and undergraduate students may purchase Lehigh's student health insurance plan. For details about the student health insurance policy (called the Student Accident & Sickness Insurance Plan), see Lehigh's 2014-2015 student health insurance brochure, which is available at <https://financeadmin.lehigh.edu/sites/financeadmin.lehigh.edu/files/offices/bursar/docs/HealthInsuranceBrochure.pdf>. Many graduate students who are RAs and TAs receive a rebate for a substantial portion of the cost of this coverage. In addition, beginning in 2015, as stated above, a very small number of students whose University work responsibilities result in their averaging 30 or more hours of work per week during a measurement period may be offered the opportunity to enroll in the University's employee-sponsored health insurance plan.

Is Lehigh's current student health insurance plan certified as ACA-compliant? Yes, Lehigh's student health insurance plan satisfies the ACA's individual mandate. However, while Lehigh's student health insurance plan is a very high quality plan, it is not considered an employer-sponsored plan. As a result, if a student employee is expected to work 30 or more hours per week or averages 30 or more hours of work per week during a measurement period, he/she will be offered coverage under the University's employee plan (in addition to being eligible to enroll in the student health plan).

Questions Addressing Particular Student Situations

I am already on my parents' health plan. Do I have to change my coverage? Can I stay on my parents' plan even though Lehigh is now offering me coverage?

You do not have to enroll in Lehigh's employee plan (if offered to you), and you do not have to enroll in Lehigh's student plan. If you are under age 26, you may stay on your parents' health care plan even though Lehigh has offered you coverage.

I'm a graduate student, and I'm on a research assistant (RA) line (or a teaching assistant (TA) line). I spend more than 20 hours per week in the lab, and often I spend more than 30 hours per week in the lab. Do all these hours count as hours of employment for purposes of the ACA or other purposes?

In general, the only employment hours for which you will be credited with working are those described in your offer letter. The University recognizes that in order to advance his/her personal educational goals, a RA/GA/TA may devote additional hours – in excess of his/her appointment – to his/her research activities (in the case of RAs) or activities similar to his/her service responsibilities (in the case of GAs and TAs). Those hours will be considered part of the student's educational experience, rather than work hours dedicated to their service commitment, and will not be compensable unless the student's supervisor advises the relevant Dean's Office that he/she requires employment services beyond the required service commitment described in the student's appointment letter. If the supervisor and the student disagree as to whether work the student conducts beyond the average weekly commitment described in his/her appointment letter is part of his/her educational experience, the student should contact the relevant department chair/head, graduate director, or Dean's Office to discuss this situation.

I'm a student working for the University for more than 30 hours per week. Will I now be offered a subsidy – or if I am already receiving the rebate provided to some graduate student workers, an additional subsidy – that I can apply to my *student* health insurance plan?

No. Students who work more than 30 hours per week will be offered another health insurance plan – the University's employee health insurance plan – that is certified as ACA-compliant for purposes of the individual mandate and the employer mandate. Premiums will be subsidized by the University.

The University has informed me that I qualify for employer-sponsored coverage because I work 30 or more hours per week, and I am also eligible for the student health insurance plan because I am a student at Lehigh. Does this mean that I get to choose between the two policies?

Yes. The plan you will be offered as an employee will provide more benefits, but the employee share of the premium will be more expensive than that for the student plan – even though Lehigh is paying most of the premium.

I am a student and I work two jobs – one on-campus job that employs me for 15 hours per week, and one off-campus job that employs me for 15 hours per week. Am I eligible for the subsidized health insurance since I work 30 hours per week?

No. A person must work for a single employer for 30 or more hours per week in order to be covered by the ACA requirement to offer health insurance.

I'm a graduate student and a research assistant, and I have a 20 hour per week obligation during the academic year, but during the summer I don't take classes and so my work responsibility goes from 20 hours per week to 40 hours per week. It's the same job as a research assistant with more hours; I am not a new hire. Will I qualify for subsidized Lehigh health insurance?

Eligibility is heavily case-specific and must be determined individually. However, provided that this added summer responsibility is not three months or longer in duration, it is unlikely that it will qualify you for Lehigh's employer-sponsored health insurance plan.

I am a graduate student working more than 30 hours a week during the academic year and so I will be offered coverage. Which plan makes more sense for me to purchase?

This is a complicated and personal choice. Under the Affordable Care Act, all persons – citizens or not – must enroll in health insurance coverage or pay a penalty on their taxes. We recommend that you compare the costs and levels of coverage of Lehigh's student plan, Lehigh's employee plan and equivalent plans available through the Health Insurance Marketplace ("Exchange").

If I opt to purchase insurance through the Exchange rather than get insurance through Lehigh, might I qualify for the federal subsidy?

If you are offered ACA-compliant health insurance by Lehigh, you can still elect to purchase health insurance through the Exchange, but you likely will not qualify for the federal subsidy even if you meet the income criteria. If you are a student who is not offered the Lehigh-subsidized employee-sponsored health insurance plan, then you can purchase insurance through the Exchange, and depending upon your household income and whether you are claimed as a dependent on someone else's tax returns, you might qualify for the federal subsidy. Individual situations do vary, and so students are encouraged to investigate all their health insurance options and make their own choices based on their personal circumstances. To learn more about insurance through the Exchange, go to <http://www.healthcare.gov>.