J-1 Scholars/Researchers and the Affordable Care Act

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Roadmap – What we will cover today

• Brief Overview of J-1 Health Care Requirements
• Brief Overview of the Affordable Care Act
• How to determine if ACA Applies to You?
• Where to obtain ACA compliant coverage?
A Brief Overview of J-1 Visa Health Insurance Requirements

• Required to have health insurance coverage as a provision of the J-1 visa to cover illness or accidents

• As of May 2015, program participants and their dependents are required to have medical insurance coverage with the following minimum benefits:
  • Medical benefits of at least $100,000 per accident or illness
  • Repatriation of remains in the amount of $25,000
  • Expenses associated with the medical evacuation of the exchange visitor to his or her home country in the amount of $50,000
  • A deductible not to exceed $500 per accident or illness.

[22 CFR 62.14]
Affordable Care Act - A Brief Overview

• Requires, citizens and resident tax aliens to have health insurance or “Minimum Essential Coverage”
• Plans required to provide comprehensive coverage called the Essential Health Benefits
• Provides Premium Tax Credits and Cost Sharing Reduction to assist defer cost of insurance
• Enforced via the Individual Shared Responsibility Provision or “Individual Mandate” of ACA
• Created Health Exchanges or market places to enable the easy comparison of plans – Covered California Health Exchange
ACA Details - Minimum Essential Coverage

• The requirement may be met through:
  • Government-sponsored plans (e.g. Medicare, Medi-Cal, etc.)
  • Employer-sponsored plans
  • Plans in the individual market (including Covered California Health Exchange)
  • Grandfathered health plans
  • Any other health benefits coverage, such as a state health benefits risk pool, as recognized by the HHS Secretary

• It does not include limited-scope plans such as dental-only or vision-only plans.
Verification of MEC

- Many people will have no tax document that verifies MEC in 2014
  - Coverage reporting by employers and insurers is voluntary for 2014; will be mandatory starting in Tax Year 2015.
    - A W-2 with code DD in box 12 (see next slide)
  - Cov. Cal. will send the 1095 to verify MEC
  - Medi-Cal will not send any specific verification of coverage.
  - Medicare can be demonstrated through form SSA 1099 where it indicates premium deductions.
- Tax preparers do not need to see specific documentation of insurance.
- Remember: Tax return is signed under penalty of perjury
Tax forms that show evidence of coverage

<table>
<thead>
<tr>
<th>Medicare premiums deducted from benefits</th>
<th>Cost of employer-sponsored coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>W-2 Wage and Tax Statement</td>
<td>SSA-1099 Social Security Benefit Statement</td>
</tr>
</tbody>
</table>
ACA Details – Essential Health Benefits

After ACA, unless excepted, all plans sold through individual or group/employer markets must offer a comprehensive package of services including:

• Ambulatory patient services
• Emergency services
• Hospitalization
• Maternity and newborn care
• Mental health and substance use disorder services, including behavioral health treatment
• Prescription drugs
• Rehabilitative and habilitative services and devices
• Laboratory services
• Preventive and wellness services and chronic disease management
• Pediatric services, including oral and vision care
**ACA Details – Premium Tax Credits (PTCs) & Cost Sharing Reduction (CSRs)**

**Premium Tax Credits** – Helps reduce of Premium Cost; variable based on income

To be eligible for tax credits, individuals must:

1. Not otherwise eligible for “minimum essential coverage” (MEC), e.g. Medi-Cal, Medicare, affordable employer-based coverage
2. **Income less than 100% if lawfully present**, but ineligible for Medi-Cal because of immigration status
3. Be a citizen, national or **lawfully present**
4. Be a resident of California
5. Not be incarcerated (except pending the disposition of charges)

**Cost Sharing Reduction** – Helps reduce the cost of co-pays, deductibles, etc.

To be eligible for CSRs, individuals must:

1. Have Income below 250% Federal Poverty Level
2. Only available if enrolled in a Silver Plan (called “Enhanced Silver Plan”)
3. Depending on income, the carrier reduces cost-sharing
### Program Eligibility by Federal Poverty Level (FPL) for 2015 Benefit Year

<table>
<thead>
<tr>
<th>Household Size</th>
<th>MAGI Medi-Cal</th>
<th>Enhanced Silver Benefits</th>
<th>Medi-Cal Access Program (MCAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>94%</td>
<td>94% (≥ 100% to ≤ 150%)</td>
<td>73% (≥ 200% to ≤ 250%)</td>
</tr>
<tr>
<td>1</td>
<td>$11,670</td>
<td>$16,105</td>
<td>$24,858</td>
</tr>
<tr>
<td>2</td>
<td>$15,730</td>
<td>$21,707</td>
<td>$33,506</td>
</tr>
<tr>
<td>3</td>
<td>$19,790</td>
<td>$27,310</td>
<td>$42,154</td>
</tr>
<tr>
<td>4</td>
<td>$23,850</td>
<td>$32,913</td>
<td>$50,802</td>
</tr>
<tr>
<td>5</td>
<td>$27,910</td>
<td>$38,516</td>
<td>$59,449</td>
</tr>
<tr>
<td>6</td>
<td>$31,970</td>
<td>$44,119</td>
<td>$68,097</td>
</tr>
<tr>
<td>7</td>
<td>$36,030</td>
<td>$49,721</td>
<td>$76,745</td>
</tr>
<tr>
<td>8</td>
<td>$40,090</td>
<td>$55,324</td>
<td>$85,393</td>
</tr>
<tr>
<td>For each additional person, add</td>
<td>$4,060</td>
<td>$5,603</td>
<td>$8,648</td>
</tr>
</tbody>
</table>

- Eligible for Premium Assistance (PA) (≥ 100% to ≤ 400%)
- MAGI Medi-Cal for Children under Age 19 (≤ 266%) (no PA)
- Enhanced Silver Benefits (87% (≥ 150% to ≤ 200%))
- Medi-Cal Access Program (MCAP) (> 213% to ≤ 322%) (no PA)
Beginning on January 1, 2014, those without qualifying health coverage must pay a tax penalty, either a flat rate or a share of household income, **whichever amount is greater.**

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Flat Rate (per adult/HH)</th>
<th>Share of Income (above tax filing threshold)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$95</td>
<td>1% taxable income</td>
</tr>
<tr>
<td>2015</td>
<td>$325</td>
<td>2% taxable income</td>
</tr>
<tr>
<td>2016</td>
<td>$695</td>
<td>2.5% taxable income</td>
</tr>
</tbody>
</table>
Exemptions: Where to Claim it?

Each individual in the tax household who did not have MEC for the entire year should be screened for an exemption.

The type of exemption impacts where they may be claimed:

<table>
<thead>
<tr>
<th>Tax Penalty Exemption</th>
<th>Market place</th>
<th>On Taxes</th>
<th>With either</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage is considered unaffordable*</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Short coverage gap*</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Income below the return filing threshold*</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Citizens living abroad and certain noncitizens</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Members of a health care sharing ministry</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Members of Indian Tribes</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Members of certain religious sects</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Aggregate self-only coverage considered unaffordable</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Gap in coverage at the beginning of 2014 *</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>General hardship*</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Unable to renew existing coverage</td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
### Exemptions: Where to Claim it? (cont’d)

<table>
<thead>
<tr>
<th>Tax Penalty Exemption</th>
<th>Market place</th>
<th>On Taxes</th>
<th>With either</th>
</tr>
</thead>
<tbody>
<tr>
<td>AmeriCorps coverage</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Limited benefit Medi-Cal and TRICARE programs that are not minimum essential coverage*</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Employer coverage with non-calendar plan year beginning in 2013</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Incarceration</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Coverage considered unaffordable based on projected income</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Does ACA Apply to a J-1 Scholar/Researcher visa holder? Depends on your tax residency status.

<table>
<thead>
<tr>
<th>Non-resident Tax Aliens</th>
<th>Resident Tax Aliens</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, ACA does not require you to have Minimum Essential Coverage. You are exempt from the Individual Shared Responsibility Provision of ACA.</td>
<td>Yes, ACA requires you to have Minimum Essential Coverage or may fax a tax penalty under the Individual Shared Responsibility Provision of ACA</td>
</tr>
</tbody>
</table>
Am I a Resident Tax Alien?

• Two tests: Legal Permanent Residents (LPRs) and those “Substantially Present”

• Substantial Presence test – Generally, if you have more than 6 months presence* in the U.S. you meet the substantial presence test... However,
  • J-1 Scholar/Researchers have a **2 year exemption (i.e. remain Non-Resident Tax Alien)**
  • Exemption calculation - the year of entry into the U.S. is year one and the whole following year is year two).
  • However, if prior U.S. visa history within last six years may count toward the exemption

*Substantial Presence formula:
  • # of days present in U.S. over last 3 years > 183
  • “# of days” = (full # of days in Y3) + (1/3 of the days in Y2) + (1/6 of the days in Y3)
Where to obtain ACA compliant coverage?

If you qualify as a Benefits Qualified Employee at UCSD...

• You may purchase UCSD sponsored coverage
• You may purchase coverage from the Covered California Health Insurance Exchange
  • More on Cov. Cal. in the next slide
• You may purchase from individual or group market with a broker

If you do not qualify as a Benefits Qualified Employee at UCSD...

• You have the option of purchasing health insurance benefits through the Garnett-Powers & Associates plan
  • GP now has three plans offering (only one is ACA compliant).
  • GP’s open enrollment period for the ACA-compliant plan ends 11/30/2015, with the plan coverage beginning on 12/1/2015, and extending through the end of the plan year of 8/31/2016.
• You may also purchase coverage from the Covered California Health Insurance Exchange
Covered California

- The California Exchange or "Covered California"
- May shop for, compare and purchase brand-name health insurance compliant with the Affordable Care Act.
- Individual Health Plan Choices in San Diego:

- Anthem Blue Cross
- Blue Shield of California
- Health Net
- Kaiser Permanente
- Molina Healthcare
- Sharp Health Plan
Covered California Shop and Compare Tool

**Household Information**

- **Household income**
  - [Input field]
  - [Annual dropdown]

- **ZIP Code**
  - [Input field]

Enter the **Age** of each person, whether they are enrolling or not. Uncheck the **ENROLLING** box next to the age for those household members not enrolling.

- **Person 1**
  - **Age**: [Input field]  
  - **Enrolling**: [Checkbox]

- **Total Enrolling**: [Count]

- **Number of people in the household**: [Count]

**Breaking Down the Monthly Cost**

* Indicates required field
Why choose Silver 70

Enhanced Silver Coverage: ≈70%

- Kaiser Permanente
  - Silver 70 HMO
  - Overall Quality: ★★★★★
  - Your Total Monthly Payment: $604
  - Monthly Premium Assistance (Tax Credit): $355
  - Total Monthly Premiums: $959
  - View Details
  - Apply

- Molina Healthcare
  - Silver 70 HMO
  - Overall Quality: ★★★★★
  - Your Total Monthly Payment: $606
  - Monthly Premium Assistance (Tax Credit): $355
  - Total Monthly Premiums: $961
  - View Details
  - Apply

- Sharp
  - Silver 70 HMO-1
  - Overall Quality: ★★★★★
  - Your Total Monthly Payment: $649
  - Monthly Premium Assistance (Tax Credit): $355
  - Total Monthly Premiums: $1004
  - View Details
  - Apply

- Anthem
  - Silver 70 EPO, a Multi-State Plan
  - Overall Quality: ★★★★★
  - Your Total Monthly Payment: $663
  - Monthly Premium Assistance (Tax Credit): $355
  - Total Monthly Premiums: $1018
  - View Details
  - Apply
How and When to Apply for Coverage?

How to Apply?

• Find a Certified Enrollment Counselor (https://v.calheers.ca.gov/hix/entity/locateassister/searchentities)
• Online: Through the Covered California portal (https://www.coveredca.com/)
• Over the phone by calling Covered California call center (1-800-300-1506) or by calling 2-1-1.

Apply during open enrollment:

• NOW - November 1, 2015 through January 31, 2016
• If you miss open enrollment, a special enrollment period may apply. For example: Losing coverage, new baby or marriage, moving to new region of California, exceptional circumstances, etc.
Where to get help?

• Roark Miller, Ph.D; Director of the International Faculty & Scholar Office; UC San Diego International Center - rtmiller@ucsd.edu

• Consumer Center for Health Education and Advocacy –
  • 1-877-734-3258
  • http://lassd.org

• San Diegans for Healthcare Coverage
  • 619-231-0333
  • http://sdhcc.org/

• 211 San Diego
  • 211
  • http://www.211sandiego.org/
Questions?

My Contact information:
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jackd@lassd.org