

The Benefits of Health Insurance Reform for College Students and other Young Adults

This year, Congress passed an important new law that improves the way health insurance works.¹ Several of the reforms will be very helpful to college students and other young adults. Below you will find more information about these new benefits.

Senator Bingaman was one of the primary leaders in the U.S. Senate working on health reform and many provisions in the new law were written to address the problems facing New Mexico. If you would like additional information, visit Senator Bingaman's Health Reform website at <http://bingaman.senate.gov/policy/issues/health.cfm> or call his office at 800-443-8658.

HOW THE LAW APPLIES TO YOU

✧ Your parents have the option to cover you with their health insurance until you turn 26

For insurance plan years starting on or after September 23, 2010, if you are under age 26 you can be insured as a dependent on your parents' private health insurance. If you are currently on their plan, you may be able to continue on that plan until age 26. **You don't need to live with them to be covered and you can be married. If your parent's plan already covers your sibling(s), adding you should be at no additional cost.** There is an exception if you can get your own job-based coverage or coverage through your spouse's employer. This new coverage for young adults only applies to health insurance plans that offer family coverage (many do). In total, 202,811 New Mexicans age 19 to 25 may benefit from this provision of the law² and 13,000 are immediately eligible as dependents on their parents' insurance.³

✧ Access to preventative and primary care services

Starting September 2010, the health insurance reform law requires new health plans to cover certain preventive services including annual check-ups without charging you anything.⁴ In addition, increased funding will boost our local community health centers' capacity to provide low cost primary care services; nearly doubling the number of people they can serve over the next five years.⁵

✧ Job creation

The new law makes very significant new investments in scholarships and grant programs to help students enter the healthcare field.⁶ In addition, with the growth rate of health care costs slowing under the new law, businesses will have more capacity to expand employment.⁷ This could mean an estimated **1,300 – 2,000 new jobs per year in New Mexico.**⁸

✧ Making health insurance available and affordable

Starting in 2014, if you don't get health insurance from a job, you can buy insurance through a new transparent and competitive insurance marketplace called the New Mexico Exchange. In the Exchange, you will have a choice of health plans that are monitored for quality of benefits and affordability. Also starting in 2014, if your income (as an individual) is \$43,000 or less the federal government may cover some or all of the cost of the health insurance premiums (on a sliding-scale).⁹ Finally, insurance companies will no longer be able to charge you more if you are sick or exclude a pre-existing condition from coverage.

✧ Safety net

Starting September 2014, if you are unemployed or make less than \$15,000 per year for a single person you may be eligible for health care coverage through Medicaid. **New Mexico will receive between \$3.1 and 5.6 billion to expand coverage for between 145,000 and 201,000** people through Medicaid¹⁰—many of whom will be college students. In addition, **51,660 uninsured New Mexicans** who have a pre-existing condition will have immediate access to affordable health insurance.¹¹

BACKGROUND: HEALTH INSURANCE IS IMPORTANT FOR COLLEGE STUDENTS AND OTHER YOUNG ADULTS

Individuals age 19-29 comprise almost half of the uninsured in New Mexico.¹² While as a young adult you are generally healthier than older adults, getting sick or having an accident while uninsured may result in inadequate care, medical debt, or compromised credit.¹³ For college students, gaps in insurance coverage typically occur upon graduation while graduates are unemployed, working part-time, temporary or lower-wage jobs, or during lengthy health insurance waiting periods.¹⁴ The new health reform law¹⁵ expands affordable health insurance options for you by helping to plug these gaps and by providing affordable preventive services.

WHERE TO GET MORE INFORMATION

- ✧ **Senator Bingaman's Health Reform Website** at <http://bingaman.senate.gov/policy/issues/health.cfm> or call the Senator's office at 800-443-8658.
- ✧ **Healthcare.gov**. An interactive site developed by the U.S. Department of Health and Human Services.
- ✧ **Kaiser Family Foundation** (<http://healthreform.kff.org/>): A non-partisan health policy organization. The site provides comprehensive information about health reform.

¹ 111th Congress, 2d session, "Compilation of Patient Protection and Affordable Care Act." (March, 2010) Available at: <http://www.healthcare.gov/law/about/index.html>

² Ibid.

³ Special Report: Democratic Policy Committee. "The Benefits of Health Reform in New Mexico." (June 2010). Available online: http://dpc.senate.gov/docs/sr-111-2-41_states/nm.pdf

⁴ Department of Health and Human Services, "Young Adults: Top 5 Things to Know." (September 2010). Available at: <http://www.healthCare.gov>

⁵ White House Fact Sheet, "The Affordable Care Act: Immediate benefits for New Mexico." <http://www.whitehouse.gov/files/documents/healthcare-fact-sheets/nm.pdf>

⁶ HHS Fact Sheet, Fact Sheet, "Creating Jobs and Increasing the Number of Primary Care Providers" <http://www.healthcare.gov/news/factsheets/primarycareworkforce.html>

⁷ David Cutler and Neeraj Sood, "New Jobs Through Better Health Care." Center for American Progress. (January 2010). Available at: <https://www.uspirg.org/uploads/11/d9/11d96f58539cd6ec70e7b42ee4ecde30/Health-Care-Jobs-Study-January-2010.pdf?id4=NR>

⁸ U.S. Public Interest Research Group. "As Passage of Health Bill Nears, Research Shows New Jobs in Every State." (January 2010). Available online: http://www.uspirg.org/newsroom/health-care/health-care-news/washington-d.c.-as-passage-of-health-bill-nears-research-shows-new-jobs-in-every-state#idFCW0E9vOsjFjeV-4_kUakA

⁹ Department of Health and Human Services, "Young Adults: Top 5 Things to Know." (September 2010). Available at: <http://www.healthcare.gov/foryou/youngadults/top5/index.html>

¹⁰ John Holahan and Irene Headen, "Medicaid Coverage and Spending in Health Reform: National and State-by-State Results for Adults at or Below 133% FPL," Kaiser Commission on Medicaid and the Uninsured/ Urban Institute Report (May 2010), available at <http://www.kff.org/healthreform/upload/Medicaid-Coverage-and-Spending-in-Health-Reform-National-and-State-By-State-Results-for-Adults-at-or-Below-133-FPL.pdf>.

¹¹ Ibid.

¹² Families USA. "Who is uninsured in New Mexico and Why?" (November 2003) Available at:

<http://www.familiesusa.org/assets/pdfs/the-uninsured-state-factsheet-nov2003/Uninsured-in-New-Mexico.pdf>

¹³ Sara R. Collins and Jennifer L. Nicholson, "Realizing Health Reform's Potential: Young Adults and the Affordable Care Act of 2010." The Commonwealth Fund (October 2010). Available at: <http://www.commonwealthfund.org/Content/Publications/Issue-Briefs/2010/Oct/Realizing-Health-Reforms-Potential-Young-Adults.aspx>

¹⁴ Ibid.

¹⁵ 111th Congress, 2d session, "Compilation of Patient Protection and Affordable Care Act." (March, 2010) Available at: <http://www.healthcare.gov/law/about/index.html>