



## UC SHIP and the Affordable Care Act (ACA)

### Background

Some students posed post-election/inauguration concerns about how changes to the ACA may affect their benefits under UC SHIP.

UC SHIP is a self-funded student health plan, wholly funded by participating students, that provides affordable, quality health benefits to students at nine member campuses: UC Davis, UC Hastings, UC Irvine (Grads), UC Los Angeles, UC Merced, UC Riverside, UC San Diego, UC San Francisco, UC Santa Cruz.

**Note:** UC Berkeley, UC Santa Barbara and to UC Irvine Undergraduates receive benefits through insurance contracts also referred to as "SHIP". Changes to the ACA may affect these insured programs differently.

**This memo only addresses benefits under the self-funded student health plan provided by UC SHIP.**

**It is important to remember that all existing applicable laws and guidance continue to apply until such legal requirements are amended, likely by an act of Congress.**

### As a self-funded student health plan, UC SHIP:

- Does not pay profit to an insurance company
- Has a large degree of control over covered benefits and plan design
- Is not an insurance contract or service plan and is not subject to the same regulations as insured student health plans
- Does not meet the definition of a group health plan
- Does not automatically meet the Minimum Essential Coverage (MEC) requirements

### UC SHIP Benefits and the ACA

#### **Benefits under UC SHIP can only be changed with the approval of the UC SHIP Executive Oversight Board (EOB)**

UC SHIP was not required to adopt the ACA's insurance marketplace reforms. Over time, UC SHIP has voluntarily implemented many of these enhancements:

- No cost preventive care services, this includes women's preventive services
- No rescission (retroactive cancellation) of coverage
- Access to out-of-network emergency care
- No lifetime dollar limits on essential health benefits
- No pre-existing conditions

UC SHIP may elect to maintain the current benefits, even if future legislation does not require some or all of the ACA insurance marketplace reforms. The EOB is currently reviewing the benefits for the 2017-18 plan year and does not anticipate making changes to the enhancements listed above.

*Note: UC SHIP covered benefits and plan designs are determined prior to the start of the plan year (August 1) and are detailed in plan documents available on each campus's UC SHIP website.*



## **UC SHIP, the Individual Mandate and You**

### **UC SHIP fulfils your requirement to have health insurance**

- *UC SHIP undergoes annual MEC certification process with the Center for Medicare and Medicaid Studies (CMS) and satisfies the Affordable Care Act (ACA) requirement requiring individuals to have health insurance or pay a tax penalty fee.*
- *Students enrolled in UC SHIP will receive a Form 1095-B to report coverage when filing your income taxes.*

### **UC SHIP and the Exchange (Covered California)**

There has also been concern that the incoming administration may make changes that affect the availability of insurance subsidies through state and federal Exchanges, including Covered California. It is important for students to remember that UC SHIP, as a self-funded plan, does not receive any outside funding.

When compared with plans currently available through Covered California, UC SHIP:

- Provides coverage comparable to a Platinum Metal Level plan
- Costs roughly the same as a Bronze or Silver Metal Level plan (unsubsidized premium)
- Provides students with greater access to participating providers
  - Students receive in-network benefits for services at campus Student Health Centers, additional discounts for services provided by UC Family providers (doctors, hospitals, etc.) and access to Anthem's full network of PPO providers