

State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

For consumer assistance:
[Banking] 888-568-4547
[Insurance] 800-964-1784
[Securities] 877-550-3907
www.dfr.vermont.gov

Vermont Department of Financial Regulation

Division of Insurance

Insurance Bulletin No. 181

STUDENT HEALTH INSURANCE PLANS

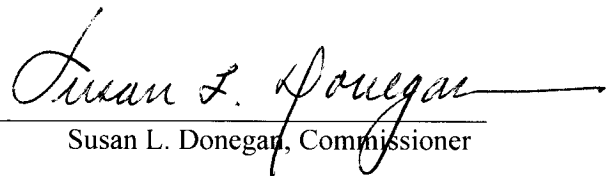
The purpose of this bulletin is to notify insurers that issue student health insurance plans in Vermont that the federal Patient Protection and Affordable Care Act (ACA) and its implementing regulations (specifically, 45 C.F.R. § 147.145) define student health insurance to be a form of individual health insurance coverage which, with the exceptions described below, is subject to the requirements of the ACA that govern non-grandfathered individual health insurance coverage. Non-grandfathered plans are plans that came into existence after March 23, 2010, or that have made material changes to their benefits (as described in 45 C.F.R. § 147.40) since that date.

For issuers of student health insurance plans, this means that, beginning January 1, 2014, coverage must be provided for all ACA essential health benefits with no annual or lifetime limits, pre-existing conditions may not be excluded, preventive services (as defined by the ACA) must be covered without member cost sharing, and coverage must be extended to adult children under the age of 26. Student health plans are also subject to all applicable Vermont statutory mandates, such as mental health parity (8 V.S.A. § 4089b) and the out-of-pocket maximum on prescription drug expenses (8 V.S.A. § 4089i). Finally, all student health insurance plans must meet the cost sharing requirements of either Platinum, Gold, Silver, Bronze, or Catastrophic coverage as defined using the applicable federal actuarial value calculator.

On the other hand, student health insurance coverage is not subject to the guaranteed availability and renewability requirements of the ACA. This means that insurers are not required to offer coverage to non-students or enrollees who have ceased to be students. In addition, student health plans are not included in a carrier's state or federal single risk pool but may be rated and priced using a separate nationwide risk pool for student health coverage. Carriers may also develop school specific community rates if those rates do not vary by age or tobacco status.

Inquiries concerning this bulletin should be directed to Phil Keller, Director of Rates & Forms, at (802) 828-1464.

Dated this 15th day of April, 2014.



Susan L. Donegan, Commissioner

