Health Reform for New Graduates

Tens of thousands of young adults will be graduating from high school and college in the next month. In years past, they automatically would have been kicked off their parents’ health insurance plans upon graduation. Now, of course, they can stay on their parents’ plans until they turn age 26.

But many soon-to-be-graduates may not know this. If you know someone who’s graduating, please ask them to watch our 3-minute YouTube video, “Health Reform for Young Adults Up to Age 26,” featuring Sara Collins, vice president for the Affordable Health Insurance Program at The Commonwealth Fund -- www.youtube.com/watch?v=DcX8OPg0eHM Video production is supported by a grant from the Robert Wood Johnson Foundation.

For more details, see the briefing cosponsored by the Alliance for Health Reform and The Commonwealth Fund on health reform for young adults -- www.allhealth.org/briefing_detail.asp?bi=186 A webcast is available, as well as a transcript and many downloadable resources.

Here’s the transcript of the Alliance YouTube video:

SARA COLLINS: The reason young adults are at such high risk of being uninsured is they lose coverage at two key transition points – both involving graduation.

And the results are really consequential. I mean, a lot of young adults do have pre-existing conditions. They tend to be a healthier age group overall, obviously more healthy than older adults. But conditions like asthma, diabetes can make it really difficult for them to get affordable health insurance in the individual insurance market.

And we also find that young adults who are uninsured have much higher rates of not getting needed care, because of the cost. Also having medical bill problems, not being able to pay their student loans. So going without coverage really does put them at risk, financial risk.

Young adults, starting in September, were able to come onto their parents’ policies, if their parents had an employer-based policy that included dependent coverage. Young adults, whether they’re married, whether they’re not financially dependent, whether they’re living in a different state, not living at home – so all young adults up to the age of 26.

The major provisions start in 2014 – expansion of Medicaid to 133 percent of poverty, that’s $14,000 a year for an individual, about $29,000 for a family of four. So this is a huge improvement in the coverage of young adults – young adults who lost their coverage when they turned 19, as children, are going to be able to stay on Medicaid if their income, family income allows them to do that.

So a major improvement in coverage. About 7 million young adults who are currently uninsured would be eligible for Medicaid under the new expansion.

For young adults who are in families with slightly higher incomes – those earning between 133 percent of poverty and 400 percent of poverty, that’s about $88,000 for a family of four, $44,000 for an individual – they will be eligible to purchase a private health plan through these new state health insurance exchanges with subsidized premiums and also cost-sharing subsidies to offset their out-of-pocket costs.

Because of the loss of coverage at graduation, this law really is in many ways a graduation gift for young adults. So instead of graduating and losing their coverage, they’re graduating and they’ll have lots of options for
insurance coverage to protect them, protect their families from catastrophic medical costs.

NOTE: Terms such as “premium” and “cost-sharing” are defined in the glossary of the Alliance guide for reporters, “Covering Health Issues” -- http://goo.gl/excmr You may find this glossary helpful when you’re dealing with health insurance matters.

For more information:

Alliance for Health Reform
www.allhealth.org

The Commonwealth fund
www.commonwealthfund.org

The Alliance for Health Reform is a nonpartisan, not-for-profit health policy education group. We are committed to helping journalists, elected officials and other shapers of public opinion understand the roots of the nation’s health care problems and the trade-offs posed by various proposals for change. Our aim is quality, affordable health coverage for all in the U.S., although we do not lobby or take positions on legislation. Sen. Jay Rockefeller (D-W.Va.) is our founder and honorary chairman; Robert Graham, MD, of the University of Cincinnati is our board chairman.