

To Your Health Series

# Medical Insurance

*For International Students, Scholars, and Their Families*



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by Judith A. Green

NAFSA

Association of  
International Educators

## ■ Did You Know?

- ❖ The average cost of a visit to an urgent care clinic is less than \$200, whereas a hospital emergency room visit usually costs at least \$500, often much more.
- ❖ Having a baby in the United States is expensive. Charges for routine delivery (including doctor's fees) are about \$6,000, often more. For cesarean delivery (no complications), expect to pay about twice that, or \$12,000. Complications for the mother or the baby can add thousands more to the bill.
- ❖ Most students could not afford to stay in the hospital if they did not have insurance. The daily hospital charge for room, board, and doctor's fees can be \$2,500 (even more at some hospitals!), so an average stay of only three days costs \$7,500. That amount does not include charges for medicine, surgery, laboratory costs, and other similar expenses. If you are seriously ill and you need to stay in the intensive care unit (ICU), expect to pay at least twice as much. Depending on your illness, a stay in the ICU can cost \$30,000 per day!

## ■ About the Author

Judith A. Green is director of the International Services Office at The George Washington University. She has served on NAFSA's Insurance Advisory Committee and on the NAFSA/ACHA Joint Committee on International College Health, and has written about a variety of health-related subjects for international students and professionals in international educational exchange.

***This publication was made possible through the support of HTH Worldwide.***

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## Your Health = Your Success

As a college student or scholar, you now make your own choices and decisions, perhaps for the first time away from your family. In the area of health, you need the information essential for sound choices. Remember: YOU now have the power to choose healthy behaviors that can lead to academic and personal success.

## When You First Arrive

Changes in your life can mean changes in your health. For example, most students who move to a different country go through a period of cultural adjustment. Symptoms of culture shock (initial change of culture) include:

- ❖ Changes in moods or attitudes, such as awkwardness, shyness, embarrassment, frustration, anger, and disappointment.
- ❖ Health-related changes, including depression, stress, loneliness, and sometimes changes in sleeping and eating patterns.
- ❖ Physical symptoms, such as stomach problems, headaches, fatigue, heart palpitations, and altered menstrual periods.

Answers to your questions, and assistance in cultural adjustment, are available on campus. Consult your international student services office, college or university health center, or student counseling center for assistance.

## How to Stay Healthy

Your health has physical, emotional, and spiritual dimensions. Your own attitudes and behaviors play a major role in your staying healthy. To remain well, practice preventive health care, attend to your personal hygiene, eat well, get enough sleep, and wear a seat belt when driving or riding in a car. If you are sexually active, be responsible and practice safer sex.

- ❖ Caring for your health can improve your attitude and your performance in school.
- ❖ Practice healthy behaviors, avoid stress, seek time for relaxation, and engage in activities you enjoy.
- ❖ Resources to help you maintain good health are available on your campus and in your community. Know what they are!

## Why You Need Medical Insurance

- ❖ No one can predict who will become ill or have an accident.
- ❖ Medical care in the United States is more expensive than in any other country in the world.
- ❖ The U.S. government does not pay any part of the medical expenses for international students studying here. In fact, it is a violation of immigration law for F-1, F-2, J-1, and J-2 students and dependents to accept public assistance, even for medical care. To do so could jeopardize your ability to receive a visa or to reenter the United States. You might also be forced to repay the money you received.
- ❖ By maintaining medical insurance, you relieve yourself from worry about unexpected medical costs so you are free to pursue your educational goals.
- ❖ It is generally not possible to purchase insurance after you get sick because an illness or injury that you already have, called “preexisting,” is usually not covered by insurance.
- ❖ U.S. immigration regulations require many nonimmigrants to carry medical insurance, either as a condition of maintaining status or as a part of their financial certification.
- ❖ Some universities select a specific insurance plan that all international students are required to purchase. Before selecting your own insurance policy, check with your international student services office or campus health center to learn exactly what is required by your school.

## Types of Medical Insurance

In the United States, most people are insured under one of the following four systems:

**Indemnity Plan.** Under an indemnity insurance plan, you pay an insurance premium and then you can choose your physician and other health care providers, refer yourself to specialists, and otherwise make independent decisions about what type of care to seek. The insurance pays a fixed percentage of covered expenses, and usually requires deductibles and copayments.

**Preferred Provider Organization (PPO).** A Preferred Provider Organization operates much like an indemnity plan, except the plan provides incentives for insured individuals to seek care from

practitioners who are on a list provided by the insurance company. Under a PPO plan, the insurance company will generally cover a higher percentage of the cost, and sometimes require you to pay a lower deductible, if you choose one of their “preferred providers.”

**Health Maintenance Organization (open access).** A Health Maintenance Organization (HMO) with open access provides coverage for many services but requires that you seek care first from one selected physician (“primary care provider”) before you go to any other physicians or health facilities. The HMO will provide you with a list of physicians from which you select your primary care provider. Your insurance will provide coverage for visits to your primary care provider and for most services that he or she recommends. Services that you seek independently (without consulting your primary care provider) are generally not covered.

**Health Maintenance Organization (closed panel).** An HMO with closed panel is one in which the physicians and other practitioners work directly for the HMO. All services must be provided directly by the HMO and its staff. Services that you seek outside the HMO are generally not covered.

## How Medical Insurance Works

When you purchase insurance, the premium you pay is combined with the premiums of all others insured under the plan; that pool of money is used to pay the covered medical expenses of everyone who contributed. After you enroll in an insurance plan, your insurance company will send you an insurance identification card. The card remains valid only as long as you continue to pay your insurance premiums.

- ❖ Keep your insurance card with you at all times, and show it to the doctor or hospital when you seek medical treatment.
- ❖ Some doctors work directly with the insurance company for payment, and others require you to pay and seek reimbursement yourself by filing a claim. Ask about payment arrangements when you receive medical treatment so you know what to expect.
- ❖ Complete claim forms accurately, and respond promptly to any request for information from your insurance company. Failure to do so could delay the insurance company’s payment to you or to the doctor.

## Paying for Insurance and Maintaining Coverage

You do not have insurance until you complete an insurance application, pay your premium, and have your application accepted by the insurance company. Some policies specify a waiting period before coverage begins. So it is important to purchase insurance immediately upon arrival to the United States. All policies have an expiration date, when the coverage ends. To have the coverage continue, pay the next premium; otherwise, you will have no medical insurance.

## Seek Health Care On Campus

- ❖ Always go first to your college or university health center for any health care need. Know the location, hours, and services provided by the health center, and ask where to seek emergency health care when the health center is closed.
- ❖ Ask which services are included in the student health fee paid with your tuition. For those which are not, such as visits to specialists, laboratory tests, and other similar expenses, the health center may offer a reduced rate or may be able to refer you to a doctor or clinic that has a lower charge for students.

## Care for Your Dependents

If you are accompanied by a spouse or children, learn about health resources for them as soon as they arrive. Ask if they can receive treatment at the campus health center. If not, the health center staff can suggest a practitioner or off-campus HMO where your dependents can receive care.

- ❖ As soon as your dependents arrive in the United States, identify the HMO or health care practitioner they will use.
- ❖ A family physician can provide comprehensive and personalized care when your family needs it.
- ❖ A hospital emergency room provides care for life-threatening emergencies. If you take your family members there for routine (nonemergency) care, you are likely to experience a very long wait, impersonal care, and receive a large bill.
- ❖ Medical insurance is as important for your dependents as it is for you!

## If You Get Sick

Know in advance what to do if you become ill or injured.

- ❖ If possible, go first to your college or university health center for treatment during their regular hours of operation.
- ❖ If the health center is closed, go to a local physician or urgent care clinic.
- ❖ Go to a hospital emergency room only for serious illnesses or accidents.

## How to Evaluate an Insurance Policy

By understanding the important features of most insurance policies, you can compare the choices available and make the best selection of benefits and value. You may be tempted to purchase the one lowest in cost, but that could be a mistake if you need treatment later and learn that the inexpensive policy will not pay for the care you need.

**The Experience of the Insurance Company.** Find out if the company has worked with international students before and learn about their reputation. Questions to ask:

- ❖ Have other students at my school used this company, and has the company treated the students fairly? Are the students satisfied? Do they have concerns or complaints?
- ❖ Does the company have a customer service staff available to answer questions and resolve problems? Can I reach them at a toll-free number?
- ❖ How quickly does the company pay claims?

**Deductible Amounts.** Most indemnity and PPO insurance policies require the insured individual to pay a small part of the medical cost (the “deductible”) before the insurance pays anything. Questions to ask:

- ❖ Do I pay a deductible once each year or every time I get sick?
- ❖ Is the deductible reduced or waived if I use the college or university health center or a preferred provider?

**Copayment.** Most insurance policies, including indemnity, PPO, and HMO, pay only part of your medical costs after you pay the deductible. In the case of HMO policies, the copayment is often a fixed

amount; indemnity and PPO policies usually pay a fixed percentage. The percentage that you pay is called the copayment. Questions to ask:

- ❖ Is the copayment a fixed amount, a fixed percentage, or does it change depending on the type of treatment I need?
- ❖ Does the policy provide for an “out-of-pocket maximum,” that is, after I pay a certain stated copayment amount, will the policy pay 100 percent of the covered medical expenses?

**Choice of Provider.** HMO policies generally limit your choice of physicians and other health care providers to those on staff or on contract with the HMO. If you decide to see a provider who is not a part of the HMO, you are responsible for paying the entire cost yourself. PPO policies generally allow you to choose any provider but may limit the benefit if you choose a provider who is not on the “preferred” list. Questions to ask:

- ❖ How much choice will I have to select my own physician and other health care providers?
- ❖ If I must select from a list, will I be able to find a physician whom I like, whose office is conveniently located, and who will be willing to accept me as a patient? Are many of the physicians on the list refusing to accept new HMO or PPO patients?
- ❖ If my HMO assigns me to a physician and I wish to change physicians, what procedure do I follow? Can I change whenever and as often as I like?

**Access to Emergency Care.** If you choose an HMO plan that limits your choice of doctors and hospitals, you may be able to get whatever care you need in the local community near your school. But you need to be certain that, if you are traveling and have a medical emergency, you can still get covered health care for any problem that cannot wait until you return home. Questions to ask:

- ❖ How many HMO locations does this company have? Where are they located? Am I eligible to receive treatment at all of them?
- ❖ What happens if I need medical care and I am not near an HMO location? Will my insurance pay for my treatment?
- ❖ In the local area, if I have an accident or other medical emergency and am transported to a nonmember hospital, will my treatment be covered by my insurance?

**Referral to Specialists.** Because health care in the United States is delivered by many specialized medical professionals, a patient may

wish to consult with a specialist for a particular medical problem. HMO plans generally require that you consult with your regular physician (“primary care provider”), who will determine whether referral to a specialist is necessary. If so, he or she will refer you to a specific specialist for consultation or treatment. If you go to a specialist without this referral, you must pay the cost yourself.

Questions to ask:

- ❖ If I wish to see a specialist, what procedure must I follow?
- ❖ If I consult my primary care provider and he or she refuses to refer me to a specialist, can I get the visit covered in any other way?
- ❖ Does the insurance limit my access to specialists in any other way, for example by limiting the number of covered visits or requiring an additional copayment?

**Specific Limits.** Some indemnity and PPO policies give specific dollar limits on what they will pay for particular services. For example, they may limit the hospital room and board charge, the doctor’s fee, the surgery fees, or the anesthesiologist charge. Other policies pay “usual” or “reasonable and customary” charges for covered costs, which means that your reimbursement is based on what is usually charged in the local area. Questions to ask:

- ❖ Does this policy set specific dollar limits on any covered expense? If so, is the limit reasonable based on the likely charge I must pay if I need the service?
- ❖ If a specific dollar limit is not set, on what basis does the insurance reimburse covered expenses? Do they use standard “reasonable and customary” amounts, or do they have their own schedule of acceptable charges and fees on which they base their payments?

**Lifetime Versus Per-Occurrence Maximums.** Many indemnity and PPO insurance policies specify a limit in the amount they will pay for any single individual’s medical bills. In some policies, the maximum is for the lifetime of the individual (the total of all medical bills), while other policies limit the amount they will pay for any one illness or injury. The lower the maximum, the greater risk to the insured because medical costs are very high and the average hospital stay costs thousands of dollars. Questions to ask:

- ❖ Does this policy place limits on the maximum amount payable for my medical expenses, either in total or for a specific illness? If so, is it likely that my costs will exceed the maximum?

**Policy Period Versus Benefit Period.** The policy period means the length of time that the policy is effective, often one year, sometimes several months, perhaps even one month for insurance paid on a monthly basis. The benefit period is the length of time a policy will pay for a particular illness. For example, if a policy has a 52-week benefit period, it will stop paying for an illness 52 weeks after it occurred, even if the policy is still in effect and the insured individual still requires treatment. After the 52 weeks, the insured individual is responsible for the expense of continuing treatment. Questions to ask:

- ❖ What is the policy period of this insurance, and how will I know when it is time to renew my policy?
- ❖ If I am no longer eligible to participate in this plan, where can I turn for insurance coverage when this policy expires?
- ❖ Does this policy limit the benefit period for treatment of illnesses or injuries? If so, what is the limited period?
- ❖ Does this policy provide for an extension of benefits so that it will continue to provide some coverage if I am receiving treatment at the time my policy expires?

**Exclusions.** Most insurance policies exclude coverage for certain conditions. Read the list of exclusions carefully. Questions to ask:

- ❖ What is the complete list of exclusions?
- ❖ How likely is it that I will need treatment for something that is excluded? If I do, how will I pay for that cost?

**Medical Evacuation and Repatriation.** This benefit is extremely important for students studying outside their home country, and for many nonimmigrants the U.S. government already requires coverage as a condition of maintaining status. If you need to be transported home because of a covered medical condition, the medical evacuation benefit will cover part or all of the costs. The repatriation benefit covers the costs of returning your remains home should you die while in the United States. Though unlikely, these events do occur, and the families of most international students are unprepared for the expenses involved. Questions to ask:

- ❖ Does this policy provide benefits for medical evacuation and repatriation? If so, are there specific dollar limits placed on these benefits? Are the dollar amounts sufficient for the costs associated with return to my country?

- ❖ Does the medical evacuation benefit provide for return to my home country, or only for transport to the closest medical facility?

## Using Your Insurance to Pay for Medical Care

Most HMO and PPO insurance plans pay directly to the provider for any services you receive. Indemnity policies usually reimburse you for your expenses when you file a claim. Usually the insurance company provides a form that you and your doctor or hospital must complete, to provide the information the company needs. After the insurance company receives the claim form, they will review the treatment to see if it is covered by the policy and, if so, make payment to you or the doctor or hospital.

- ❖ Ask for a claim form when you purchase the insurance. Read it and be sure you understand how to complete it. Ask the insurance company if you have questions.
- ❖ Insurance does not cover all illnesses or injuries, and most policies do not pay 100 percent of the cost of covered services. You will be notified by the company about their decision on your claim. You may be responsible for some or all of the amount they do not pay.
- ❖ If you disagree with the decision of the company about their payment on a claim, you have the right to file an appeal. Your insurance company can explain the appeals process.

## Keeping Costs Manageable

Health care is the fastest-rising expense in the United States today. Although some of the cost is due to expensive equipment and training of medical professionals, the health care choices that each individual makes can contribute to high costs or help to control them.

- ❖ You can help to contain medical costs and avoid insurance premium increases by being a wise and well-informed medical consumer.
- ❖ Knowing the best place to seek treatment, such as the campus health center or the preferred provider specified in your insurance list, will ensure that you get quality care quickly and at the lowest possible cost.

## Check List for Wise Health and Insurance Choices

- Know how to reach the college or university health center, understand what services they provide, and learn where to go for health care emergencies when the health center is closed.
- Purchase medical insurance as soon as you arrive in the United States.
- If your university has a required insurance policy, choose that policy. If not, compare policies to determine which one is best for your needs.
- Do not base your decision solely on the cost of the insurance policy. Make sure you choose a policy that will pay at least 70 percent of your medical expenses in case of a serious emergency. A deductible of \$250 or less is best.
- If you are accompanied by dependents, purchase insurance for them immediately upon their arrival to the United States.
- Know the health care resources available to your dependents. If they are not eligible for treatment at the university health center, identify their physicians or clinic immediately so you will not search for a provider during an emergency.
- Understand how your insurance policy pays your medical expenses. If you need to file your own claims, have claims forms available at home. Know how to reach the insurance company to ask a question.
- Do your part to keep costs low. Make wise and healthy choices, seek care on campus, and use emergency services only for life-threatening situations.
- Practice healthy behaviors and make sound choices when seeking health care.

## Glossary

Below are some brief definitions and explanations of important concepts and terms. You may need further explanation. If so, consult with your campus health center or international student services office. They can help find the answers to your questions about health care and medical insurance in the United States.

### *Claim*

A written request by the insured individual (you) for payment by the insurance company of medical expenses that are covered under the insurance policy.

### *Copayment*

The portion of a covered expense, after the deductible is paid, that must be paid by the insured individual. The copayment may be a specific dollar amount, or may be expressed as a percentage of the covered amount.

### *Cost containment*

Actions or practices designed to minimize costs to both the insured individual and the insurance company. Cost containment helps to maintain reasonable insurance premiums and slows the rate of inflation of medical expenses.

### *Covered expense*

Any expense for which complete or partial payment is provided under the insurance policy.

### *Deductible*

The initial portion of a covered expense (usually in indemnity or PPO plans) that must be paid by the insured person before the insurance policy pays its part of the expense.

### *Exclusion*

Any condition or expense for which no coverage is provided and no payment will be made.

### *Fee for service*

The doctor, clinic, or other medical professional expects the charge to be paid at the time that service is provided.

### ***Insurance (HMO) identification card***

A card provided by the insurance company or HMO, showing the name of the insured individual, the policy or identification number, and the address and telephone number for claims and questions. The card must be presented when treatment is requested.

### ***Insurance policy***

A written contract defining the insurance plan, its coverage, exclusions, eligibility requirements, and all benefits and conditions that apply to individuals insured under the plan.

### ***Insurance premium***

The amount of money required for coverage under a specific insurance policy for a given period of time. Depending on the policy agreement, the premium may be paid monthly, quarterly, semi-annually, or annually.

### ***Lapse in coverage***

A break in continuous insurance coverage, usually resulting from nonpayment of premium.

### ***Preexisting condition***

A medical condition that existed before an insurance policy was purchased. Depending on the policy, a preexisting condition may be defined based on when it originated, when symptoms first appeared, or when treatment was first sought.

### ***Preventive care***

Measures taken in advance of symptoms to prevent illness or injury.

### ***Renewal***

Paying a premium in order to continue coverage after the initial policy period has expired.

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# About NAFSA

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NAFSA: Association of International Educators promotes the exchange of student and scholars to and from the United States. The Association sets and upholds standards of good practice and provides professional education and training that strengthen institutional programs and services related to international educational exchange. NAFSA provides a forum for discussion of issues and a network for sharing information as it seeks to increase awareness of and support for international education in higher education, in government, and in the community.

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