Information for Sponsored Foreign Nationals on the Affordable Care Act
LSUHSC-New Orleans International Services Office

What is the Affordable Care Act?
The Affordable Care Act (ACA) is a U.S. law about health insurance coverage that took effect on January 1, 2014.

What does the Affordable Care Act require?
Beginning January 1, 2014 ALL individuals present in the U.S. (including dependent spouses and minor children) who do not maintain “minimum essential healthcare coverage” as defined by the Affordable Care Act (ACA) may be required to make an additional “penalty” payment to the Internal Revenue Service (IRS) when filing federal tax returns. More explanation is provided here.

The requirements of the ACA do not change any insurance requirements that may be related to a particular immigration status or status as a student at LSUHSC. The ACA requirements do not have any impact on U.S. immigration laws or regulations, and failure to comply with the ACA requirements is not an immigration status violation. (For example, exchange visitors in J status must take care to maintain the insurance coverage –including medical evacuation and repatriation benefits-required by the Department of State in order to maintain their immigration status.)

What happens if I (or my household members) don’t have the required insurance?
You may be required to pay a penalty when you file your 2014 federal tax return (must be filed by April 15, 2015). The IRS Question and Answer page on the penalty (also called the individual mandate) can be found here.

Any short coverage gap of 3 continuous months or less (beginning January 1, 2014) for the calendar year will not result in an owed penalty. Only one short coverage gap per calendar year is permitted in order to avoid owing a penalty, as detailed here and here.

The penalty payment for the 2014 calendar years is $95 per household person without coverage OR 1% of annual household income for 2014, whichever is higher. The penalty increases each calendar year after 2014, as explained here.

How do I know if my policy meets the ACA’s requirements?
Ask your insurer or employer if your plan meets ACA requirements. You can ask your employer to complete the Employer Coverage Tool. Your insurer (Blue Cross, United Healthcare, Cigna, etc.) should be able to tell you if your plan meets the ACA’s requirements.

- LSU System policies offered as employee coverage do meet ACA requirements.
- LSUHSC Student policy with BCBS of La. does meet ACA requirements for a Student Health Plan.
- The IMG Patriot Exchange Plan used by many J-1 Scholars does NOT meet ACA requirements, as detailed here.
  - As stated above, ACA requirements are separate from insurance that may be required to maintain immigration status, such as the Department of State requirements for J exchange visitors and their dependents described here. Failure to obtain/maintain the insurance required for a particular immigration status is still an immigration status violation even if the insurance obtained meets ACA requirements.
- Insurance plans provided by a non-U.S. entity (foreign government or company based outside the U.S.) MAY meet ACA requirements. Ask your insurer if they have applied for recognition of your plan as “minimum essential healthcare coverage” from the U.S. Department of Health and Human Services as described here.
Who is subject to the individual mandate penalty?

Only individuals present in the U.S. long enough to attain residency status for federal tax filing purposes are subject to payment of the individual mandate penalty. Persons who remain non-residents for federal tax filing purposes are not subject the penalty payment, as detailed here.

How do I know if I am a non-resident or resident for federal tax filing purposes?

The IRS provides details on determining alien tax status here, and on the substantial presence test used to determine residency status for federal tax filing purposes here.

Many F/J students and J exchange visitors are exempt from counting days of presence in the U.S., for purposes of determining residency status for federal tax filing purposes, as designated by the IRS. Generally, F and J students/dependents are exempt from counting days of presence toward resident federal tax filing status for the first five calendar years they are in the U.S. in F status. J exchange visitors/dependents are exempt from counting days of presence toward resident federal tax filing status for the first two calendar years spent in J status. Additional specifics and details can be found here for F students and here for J exchange visitors. It is highly recommended that you read the IRS information pages to determine your status for federal tax filing purposes at the links provided above.

Examples of how to count days of presence under the substantial presence test for exempt F and J status holders can be found here.

Where can I look for coverage that meets ACA requirements?

If you are a paid employee of LSUHSC working at least 30 hours per week (75% effort), you may be able to enroll in an LSU employee coverage plan. Non-employee dependents cannot be enrolled in employee coverage without enrollment of the qualifying employee. Contact Benefits at hrmquestions@lsuhsc.edu or (504) 568-7780 for more information.

Persons living in Louisiana may search for and enroll in coverage on the federal exchange at www.healthcare.gov. Persons living in Louisiana may enroll through the federal exchange at any time after March 31, 2014 if there is a qualifying event as long as enrollment is during the special enrollment period.

Most persons with valid U.S. immigration status ARE eligible for coverage and premium subsidies through the federal exchange as detailed here and here.

A plan that meets ACA requirements will NOT necessarily meet separate insurance requirements necessary for a particular immigration status. For example, plans offered in the federal exchange likely do not include medical evacuation and repatriation coverage, which is required by the Department of State regulations for all J exchange visitors and their dependents.