The U.S. Health Care System

The United States has a very complex system of medical care. It is decentralized, so there is no single person or organization responsible for making sure that everyone gets medical care. It is not public, so most individuals are responsible for finding, and paying for, their own care. U.S. medical care is changing as a result of laws passed to ensure that health care is available, and affordable, for all Americans; but at the time of this writing no one really knows for certain how the system will work when all of the changes have occurred. (See Affordable Care Act in the Glossary.)

International students, scholars, and their families who come to the United States for educational purposes cannot be expected to understand the health care system; in fact, few Americans truly understand it. But you must know how to find medical care when you need it, and you should have a plan to pay for the care you need.

Learn Basic Information to Guide Your Choices

Because medical care in the United States is so expensive, insurance is essential. Most Americans have medical insurance through their employers. But international visitors must purchase medical insurance themselves, and it can be very confusing to evaluate the options and to decide which insurance type or plan to purchase.

The purpose of this booklet is to explain, as simply as possible, basic facts about medical insurance in the United States. When you finish carefully reading it, you should be able to explain:

- What medical insurance is
- Why you need medical insurance
- How medical insurance works
- Important factors to consider in evaluating an insurance policy
- How to keep your medical costs as low as possible
- The definitions of important terms related to medical insurance.

It would take thousands of pages to explain everything about medical insurance in the United States. Your careful reading of this booklet will make you a more informed consumer, meaning that you will have information to help you make decisions about buying and using medical insurance. You must also learn for yourself:

- Whether your school or sponsor requires you to carry medical insurance and, if so, what specific type of insurance is required
- The location of the on-campus clinic, when it is open, what services are provided, and whether you and/or your family are eligible to receive care there
- Whom to call or where to go if you need medical care when the clinic is not open.

You can start gathering information by consulting the website of the Student Health Services (SHS) on your campus. If you do not find answers to your questions online, you can call or consult with SHS in person.
THE NEED FOR MEDICAL INSURANCE

Medical care in the United States is very expensive. Most people cannot afford the costs by themselves. Medical insurance is a way to plan for unexpected medical costs. Insurance is essential because:

- Medical care in the United States is more expensive than in any other place in the world. Very few people can afford to pay the high costs of a medical emergency.

- No one can predict who may become ill or have an accident. Many students who think they are healthy learn that they need care for a condition they didn’t know they had; some students have accidents and need emergency medical care, which can cost thousands of dollars.

- It may not be possible to purchase insurance after you get sick. Any illness or injury that you already have (called a preexisting condition by insurance companies) may be excluded by some insurance plans. (U.S. laws are changing with respect to preexisting conditions, to the benefit of individuals throughout the country.)

- The U.S. government does not pay for medical costs. Although only J exchange visitors and their dependents are required by regulation to have insurance as a condition of acquiring and maintaining their status, immigration officials will also consider a prospective F-1 student’s ability to pay for unforeseen medical costs as part of the student’s required financial certification. This is one reason why many colleges and universities have insurance requirements for international students.

How Insurance Can Protect You

Insurance is designed to protect individuals from the extraordinary costs associated with serious medical emergencies. When you purchase an insurance policy, you are then covered under the terms of the policy. When you need medical care, the amount paid by the insurance company depends on the terms of the policy. This is why it is important to understand a policy before purchasing it or, in the case of mandatory school policies, to learn what is covered and how to seek treatment.
The main purpose of insurance is to protect you from unexpected costs associated with medical emergencies. Most policies require individuals to pay at least some of the modest charges for routine medical services.

Typically, lower cost policies cover less, and pay less, than higher cost policies. This is usual but not universal, so it is important to review the insurance coverage and cost carefully when comparing policies.

The cost of insurance, especially for dependents, can seem very high; and many students decide not to purchase it, thinking they will save money. But the policy premium (the amount you pay for the insurance) will seem very small if you or one of your dependents experiences a medical emergency costing thousands of dollars.

**Group Insurance and Individual Insurance**

The cost or premium for health insurance is based on what the policy covers and on how big a financial risk the insurance company takes in providing the coverage. Insurance companies have professional “underwriters” who identify and quantify the cost risk of each part of an insurance policy and set the premium based on that risk.

Most Americans are covered under group policies that they purchase through their employers. A group policy is issued by an insurance company to a group of individuals; for example, the employees of a particular company or the students of a particular school. Group policies are typically less expensive than individual policies because the risk is shared by a large group of