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All in the Family: Staying on Your Parent's Health Insurance Plan

By Victor Chou,
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Many college students maintain insurance coverage as a dependent on their parent's [health insurance](#) plan. If this option is available to you, it's usually a good and painless way to maintain insurance coverage. However, there are some major limitations of which you should be aware.

There may be no providers or facilities that take your insurance

When I was in college, we had something called a "Buzz Card" that only our students had. Unfortunately, the name is somewhat of a misnomer (it was named after our mascot—

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Buzz the Yellow Jacket) but the exciting thing is that we could get special discounts at area restaurants, bars, and clubs simply by showing our card. However, if you were a student from another school, and you didn't have a "Buzz Card" and you couldn't get the same great deals.

Insurance plans work the same way. If you have an insurance card, that card entitles you to discounts on health care at participating providers. Instead of paying \$100 for a doctor's visit, for example, you might only pay \$15. However, most doctors only participate in local insurance plans, not plans from out-of-state. If you're an out-of-state student, you might not find any providers that take your insurance plan. If this is the case with you, you should keep the insurance coverage for use in emergencies but plan on using the student health center for your routine health care.

Coverage may end during summer breaks or after graduation

There are two specific time periods that many college students become uninsured without their knowing, and thus vulnerable if illness occurs. These problem periods are:

1. the time between graduating college and starting a new job, and
2. the yearly summer break in-between spring and fall semesters.

Almost all insurance companies end coverage once a student graduates from college. In addition, [health insurance coverage](#) through a new employer will usually not start up until the graduate actually starts working, so there is often a few months gap in coverage. You can usually purchase a short-term individual policy to protect yourself during this period.

Summer breaks can also be a problem area, but thankfully most insurance companies continue to provide coverage as long as the student is only out of school for the summer. Call your insurance company to make sure that you will actually be covered during your summer breaks.

One final point: there is always an upper limit to how long you can remain a dependent on your parent's insurance plan, even if you are a full-time student (in most states it's around age 23). This age limit, like many other aspects of insurance coverage, is dependent on the laws in your state and the policies of your insurance company. The best rule is always to call and ask if there are any questions about your coverage.

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Anytime you deviate from the standard full-time student pattern, such as studying abroad, taking an extended break, or participating in a co-op work program, the insurance company may drop your coverage because you don't meet the strict criteria of being a "full-time" student. Check with your insurance company on how they will interpret these changes in your schedule. If coverage will not be provided during these periods, you'll need to investigate additional sources of coverage. For example, a school sponsored co-op work program may require participating employers to offer health insurance coverage or students participating in study abroad programs may be able to buy special coverage through the sponsoring school.

Be aware of parental factors

Staying active on a parent's insurance plan has one major caveat: your parents must maintain their insurance coverage. I've seen many cases where a parent retired, became disabled, was downsized, or otherwise lost their insurance coverage, and the student was left out in the cold. So please, plan ahead if you feel that any of these situations are likely to happen to you.

Unfortunately, there are many students for whom maintaining coverage through a parent's plan is not a possibility and the student is required to find his or her own coverage. Next Wednesday, we'll discuss some considerations for students who need to find their own [individual health insurance coverage](#).

Dr. Chou attended college at Georgia Tech and medical school at the Medical College of Georgia. He can be reached at vhc@choumd.com.

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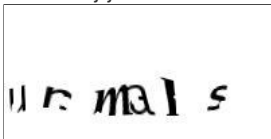
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