

April 9, 2014

What you should know about 'Obamacare'

Question: I'm an American Citizen living in Jamaica. I have heard about the new healthcare law in the United States, sometimes called Obamacare or "The Affordable Care Act". Does this new law mean that I need to buy an American health insurance policy even if I live here in Jamaica?

Whether you need to buy American health insurance when you are living in Jamaica is complicated and it is important to make sure you are making the right decision. To answer your question, we'll cover the basics and then give you some other places to contact if you have questions.

Firstly, although the Individual Shared Responsibility Provision, also known as the "Individual Mandate" applies to citizens and residents who live outside of the United States, most expatriates will qualify for an exemption. An exemption means that although you are covered by the law, you do not need to buy insurance and will not be required to pay a fine.

People who live outside of the United States and don't visit the U.S. for more than 35 days in any calendar year are exempt. In addition, people who live outside of the U.S. and earn their income from a non-U.S. source are exempt as long as they're paying taxes in the country they live in. This is regardless of whether they have been in the States for more than 35 days. So, for instance, a teacher who has both U.S. and Jamaican citizenship but works for the Ministry of Education and pays tax on her income to the Jamaican Government would get the exemption, even if she spent 6 weeks in the summer visiting with her sister in Miami. This is because her income comes from a Jamaican source and she's paying Jamaican taxes.

Another way that people can be exempt is if they do not earn enough money to be required to file a U.S. Tax Return. Generally, all U.S. Citizens must file taxes with the U.S. Government, even if they don't live in the U.S. But people who make less than a certain amount do not have to file taxes. Sometimes people with low incomes who do not have to file taxes may choose to file anyway. Even if these persons do file, they are still exempt and would not have to pay a fine.

Lastly, most persons who already have U.S. Health Insurance don't need to get different or additional coverage to meet the Affordable Care Act requirements. If you are a U.S. citizen or permanent resident, beyond working age or disabled and have Medicare or Medicaid, you do not need to buy or do anything. If you served in the U.S. Armed forces and have health coverage from the Veterans Administration or through a program called TRICARE, your coverage is fine. Most people who have purchased "Expatriate" health plans are considered to have minimum coverage for now, but the U.S. Government will review these policies in 2016 and decide if they're still considered to meet the minimum requirements.

People who do not fit into one of the exemptions above (either having low income, living in the U.S. for less than 35 days, earning income and paying taxes in Jamaica, or already enrolled in health coverage) would need to either buy a U.S. insurance policy or pay a fine. Persons who chose not to purchase coverage will owe a fine on their 2014 taxes, which are paid in April of 2015.

For persons who chose to purchase health insurance, the insurance that they purchase **MUST** meet minimum standards of coverage – buying insurance that doesn't meet the minimum is the same as not buying insurance at all. U.S. citizens and legal permanent residents may be able to purchase insurance through the Health Care Exchanges, websites created by each state to simplify buying insurance; subsidies may also be available. All coverage on the exchange would meet the minimum requirements. It is also possible to buy coverage outside of the exchange, but buyers beware – there are still policies sold that don't meet the minimum requirements of ACA. Persons buying these policies could still be fined. Ask for a certification before you purchase, and beware of policies that look “too good to be true”.

If you have more questions, www.healthcare.gov has a wealth of information and links to the state insurance exchanges.