KANSAS BOARD OF REGENTS
Student Insurance Advisory Committee
MINUTES
December 4, 2024

The December 4, 2024, meeting of the Student Insurance Advisory Committee (SIAC) was called to order at 1:00 p.m.

Members Participating by Video Conference Call:

Matt Anderson, KUMC	Ella Burrows, FHSU student
Aaron Coffey, WSU	Kiera Pulliam, PSU
Carol Solko-Olliff, FHSU	Morgan Swartzlander, KU
Tabatha Tafoya, ESU	Jennifer Williams, KSU
Madi Vannaman, KBOR	

Also participating were Jim Lester, Ellison Rooney and Traci Martin, UHCSR; and John Yeary, Gage Rohlf and Becky Pottebaum, KBOR. Unable to attend were Jeff DeWitt, chair and COBO rep; and FHSU student Jonah Sandford.

Introduction

Ellison Rooney was introduced as the UHC SR Account Executive assisting with the KBOR account. Ellison graduated from the University of Notre Dame and has been working with Student Resources for a little more than 5 years. Ellison reports directly to Jim Lester.

Minutes

Carol Solko-Olliff moved to approve the September 4, 2024, minutes. Following the second by Aaron Coffey, the motion carried.

ECI Waiver Reports

Ellison Rooney reviewed information from the ECI reports.

UHC SR Quarterly Reports

Jim Lester reviewed highlights from the UHC SR quarterly report. For Plan Year 24-25, there is data for four months. Enrollment the past few years has been dropping; Plan Year 22-23 had 6,112 students. Plan Year 24-25 has 5,510 students, based on estimated annualized count. That is the lowest enrollment in the past four Plan Years. The data also reflects shifting in age to a slightly older population than in the past. Carol Solko-Olliff asked if that data reflects more graduate students in the upper age ranges, and Jim Lester responded he will get information about the undergraduate and graduate age breakdowns.

In each of the Plan Options, student enrollment is down, and this is systemic across all campuses. Option 1 had 125 students last Plan Year and now has 87 and continues to run a high loss ratio. Option 2 had 439 students last Plan Year and now has 404. Option 3 had 2,203 students last Plan Year and now has 2,163. Option 4 remains steady; it had 2,842 last Plan Year and now has 2,856. Carol Solko-Olliff noted that international students can also be enrolled in Option 3 which would increase the number of international students enrolled in the Plan.

Jim Lester noted that loss ratios have recently improved back to normal pre-COVID numbers. Plan Year 23-24 numbers currently show a 58.45% loss ratio but, after runout of claims paid over 12-18 months, this figure will most likely end up closer to 62%. The Plan Year 24-25 loss ratio is currently at 19% which is 4 points higher than Plan Year 23-24 was at the same time last year. The loss ratio for dependents continues to be very high, impacting the overall ratio by about 8 percentage points.

SR Charge Category utilization for Plan Year 23-24 (it is too early for Plan Year 24-25 data to be meaningful), shows significant decreases in some categories: Laboratory is down 43%, Outpatient Surgical is down 38%, Prescriptions are down 13%. But Student Health Center Prescriptions are up 32%, and Hospital total paid is up 48%.

The Top 10 diagnoses for Plan Year 24-25 currently shows "other care and screening" (normal/routine diseases) at the top. The committee was advised to expect to see "mental disorders" rise the top, which is true across all college business. "Normal birth/live born" is currently $48,000; last Plan Year it was over $900,000.

For claims greater than $100,000, Plan Year 23-24 included $800,000 in claims for three dependents live born. UHC is also seeing more prescription drug claims across the book of business. Large claims for individual students came in at $148,000, $141,000, $145,000 and $276,000. For Plan Year 24-25, it is early, and those types of claims are not currently showing. UHC SR projects at least one prescription drug claim will be over $135,000 when PY 24-25 is over.

Tabetha Tafoya asked if UHC SR "lasers out" any of these claims. Jim Lester replied yes, if the claim is an outlier. If two or three live-born claims are seen every year, it is difficult to not include in them in claims cost and estimates going forward. Most of the time the underwriter will look back two to three years and will not include outliers based on the history of the account.

Morgan Swartzlander asked if the newborn is covered for the first 31 days, or if the child needs to be added to the coverage. Jim Lester stated that a newborn is automatically covered for the first 31 days. But, if the newborn is not added to coverage, on day 32 any charges are not covered under the Plan.

Morgan Swartzlander asked why the liveborn is considered a dependent. Jim Lester responded even if the child only has coverage for the first 31 days, the child has an independent identifier code. He will get information about how dependents are being identified.

Morgan Swartzlander asked how the eight-point spread due to dependent claims would be impacted if, hypothetically, dependent coverage was removed. Jim Lester stated those claims would still appear on the Plan; the high cost of delivery would not be factored out. For plans with no dependent coverage, large claim experience for dependents is reflected even though there is zero premium collected for the dependents. Morgan Swartzlander stated that she now views the loss ratio number as less reliable because claims that tend to be the very largest could remain regardless. Aaron Coffey asked about the $2.5 million charge associated with twin liveborn infants. Jim Lester stated he assumed there were complications and that the charge reflects cumulative costs based on the primary diagnosis. Jennifer Williams added that, based on her experience, there would have been two surgeons available, one for each twin.

The Top Rx Report, early data, shows that currently 13% of members are utilizing the prescription drug benefit and UHC SR expects that to be in the 23-26% range by Plan Year end.

Loss ratio by campus data shows a favorable, marginal down trend from Plan Year 21 to Plan Year 23 for all campuses except K-State. For Plan Year 24-25, the trend shows a slight uptick in loss ratios.

Aaron Coffey asked if name brand prescription drugs are monitored when generic options are available to provide members information about switching. Jim Lester replied UHC SR relies upon the prescribing doctor to determine what is most effective for the student to try to drive them to other, appropriate options.

Items from September 4, 2024, SIAC meeting

1. Jennifer Williams, KSU, asked if UHC SR could increase the number of days the payment link is available for Option 3 students as they often have to wait for funds to be available. The graduate students would like the link to be active throughout the enrollment period, which is most likely not feasible, but an extension from the current five-day window would be appreciated. Matt Brinson replied that he will discuss this with UHC SR's Partner Center team to see if the period can be extended beyond five days. [After the meeting, Jim Lester provided the following response: It was confirmed that the payment link is open for the period for which the link was sent. So, for example, for the Fall, the link would be good until the cutoff date, which would have been 10/1/24. If the issue is monthly, that link is set to expire 5 days after the date for which it is issued. Given the short coverage period for monthly, that length of time is unfortunately not something that can be changed.]

Several SIAC members noted that the link is only available for five days even for those Option 3 students and not until the enrollment period expires. Jim Lester will follow-up with UHC SR contacts.

2. Aaron Coffey, WSU, asked whether it possible to imbed a dental plan into Options 2, 3 and 4. The dental plan is currently a stand-alone plan that has very low enrollment. Gage Rohlf will review the statutes that authorize KBOR to offer student insurance to see if dental insurance can be considered for inclusion. ***After researching Kansas statutes, Gage Rohlf determined the Board of Regent's authority is broad enough to include dental coverage as part of the benefits offered pursuant to K.S.A. 74-4101. Jim Lester was asked to reach out to the UHC Dental partners to determine pricing and plan benefits in time for the 12/4/24 SIAC meeting. If that information is available, it will be shared with the SIAC. [The dental information was emailed to the SIAC on December 3, 2024.] The Committee decided not to further explore dental insurance at this time.

Plan Year 25-26 Renewal

UHC SR information for the PY 25-26 renewal was emailed to SIAC members on November 14, 2024. Additional comparative information from KBOR university peers and aspirational peer institutions was also emailed to SIAC members on November 15, 2024. The SIAC members were to share that information with their university sub-committees so that feedback about the renewal information could be discussed at today's meeting.

UHC SR's proposal is to leave premiums flat, which would make Plan Year 25-26 the second year without a rate increase, but to enhance plan benefits. Jim Lester wrote in the November 14 email that, "It was discussed in the last SIAC meeting what the rate impact would be if the experience continued as projected for the 2023/24 policy year. Well, the utilization did trend in line with the prior years' experience as we thought it might. It is still too early in the 2024/25 policy for a realistic indication of where the year will end up, although the first several months claims paid is slightly higher than last year for the same time period. Regardless, Ellison and I had discussions with Underwriting and they focused on the 2023-24 policy year experience to work up the renewal pricing, and the rate sheets reflect those discussions."

"A few items to note with the renewal

- Since the experience was trending favorably, Ellison and I recommended to Underwriting that we enhance the benefits as bit. So, the below modifications are being recommended for option 2, 3 and 4 policies, keeping the rates the same as they were for the 2024/25 policy year
    - Changed the Preferred Provider OOP maximum from $8,200 to $8,000 (Family max of $16,000)
    - Changed the Rx Tier 2 coinsurance from 40% to 30%
    - Changed the Deductible from $500 to $450

- We are still seeing a slight reduction in membership year over year, down about 2%."

The Plan Year 25-26 annual single, student only rates would be the same as the Plan Year 24-25 rates: Option 1: $5,431 and Options 2, 3 and 4: $2,831

Aaron Coffey asked how many members reach their deductible for prescription drugs and would benefit from the coinsurance change to 30%. Jim Lester responded that the policy deductible does not apply, and the copayment amount applies to out-of-pocket maximums. For a $100 Tier 2 drug, the student would pay $30 instead of $40.

Carol Solko-Olliff asked if the deductible is per incident, and Jim Lester replied the deductible is per policy year.

Morgan Swartzlander asked whether Jeff DeWitt indicated what he thought about the proposal because, based on his feedback from the last meeting, the KU sub-committee does not feel that there was a significant benefit enhancement and no premium decrease in the renewal. Does the chair get to vote? Madi Vannaman replied that the Chair would vote if there were a tie.

Jim Lester stated that the claims experience is trending a little higher for the current Plan Year but would welcome Committee member thoughts on what they would like to see in the renewal proposal.

Aaron Coffey wondered, for Plan Options 2 and 4, how many students are on the plan for an entire year as reductions in overall policy costs would impact them the most. From a use case perspective, if most of the utilization is from Plan Option 3, which is subsidized by the universities, or from Plan Options 2 and 4, that could alter campus conversations.

Carol Solko-Olliff noted that international students are required to have insurance and they represent the largest population in the Plan but might also be the population with the lowest utilization, collectively, of the insurance. As such, she will always advocate for premiums for that cohort.

Each representative shared their perspectives about the Plan Year 25-26 renewal:

- Matt Anderson noted the Tier 2 prescription drug copayment change would save students $17,787 based on last year's plan experience.
- Morgan Swartzlander agreed the prescription drug change is beneficial and would impact many students. She noted the KU sub-committee's feedback is that they prefer a rate reduction, maybe 11%, which would bring premiums down to past levels and below $800 (after the university premium subsidy), aiding graduate students and helping KU with recruitment and retention.
- Aaron Coffey noted that the majority of international students are on Option 4 and noted the tension between reducing premiums, which are known and could be planned for, versus reducing the out-of-pocket deductible which would be an unknown expense that might not be planned for.
- Tabatha Tafoya noted there are no large claims for Emporia State and that lower premiums would be preferable because the students may not be utilizing Plan benefits.
- Jennifer Williams stated the premium rate is of concern for students over copayments. The initial premium provides the sticker shock; thus, the number one factor is the premium.
- Kiera Pulliam stated the premium discount would be beneficial for students as well, especially for international students.

- Ella Burrows stated that, for students, having the premium reduced would be the best option.

Jim Lester replied that he heard the message, and his only caution was that plan experience might escalate based on the trend currently seen. If a reduction is based on the current experience, the reduction could be wiped out later, resulting in a larger premium increase. Morgan Swartzlander asked why the trend would change after the utilization numbers that were seen once dependents were removed from Plan Option 1. Jim Lester replied that there is a "rule of large numbers," where the risk can be spread over a larger group but the data showing loss of membership is a concern as that might escalate incremental claim costs per member. It may be possible to get a premium decrease, along with the prescription drug copayment decrease, but to secure a decrease based on what the claims experience is currently showing will be difficult and it would be helpful to have a little wiggle room when looking at PY 26-27 rates. Carol Solko-Olliff stated that any decrease will be viewed positively, and all campuses are trying to increase enrollment. And any enrollment in the international population would be helpful, as they do not use the benefits heavily. Any decrease will make the blow softer.

Tabatha Tafoya asked whether a wellness benefit could be added to the Plan design to encourage and reward students. Jim Lester replied that UHC SR could not get that provision filed and approved as this is a student insurance product and not a commercial insurance product.

Jim Lester will take the SIAC requests to UHC SR underwriting and, as requested by Morgan Swartzlander, will provide a "menu of options" for the Committee to review with their sub-committees. The new Plan Year 25-26 renewal proposals will be emailed no later than December 11, 2024, and the SIAC members will meet with their university sub-committees before reconvening as a group for a December 20, 2024, meeting to discuss the revised renewal information.

Good of the Order

1. No topics were discussed.

Future SIAC meetings

Future SIAC meetings tentatively scheduled for 12:30 (unless otherwise stated below):

A. Friday, December 20, 2024
B. Wednesday, February 5, 2025
C. Wednesday, May 7, 2025