

KANSAS BOARD OF REGENTS
Student Insurance Advisory Committee
MINUTES
February 6, 2019

The February 6, 2019, meeting of the Student Insurance Advisory Committee (SIAC) was called to order at 12:30 p.m.

Members in Attendance:

Werner Golling, WSU, COBO Chair Diana Malott, KU

Members Participating by Telephone:

Mary McDaniel-Anschutz, ESU Sheryl McKelvey, WSU
Valerie Noack, KUMC Jim Parker, KSU
Carol Solko-Olliff, FHSU

Also present at the meeting were Dale Burns, UHC; Julene Miller, KBOR; and Lucas Bierlein and Matthew McEvoy, Morneau Shepell. Others participating by phone were Rita Girth representing PSU on behalf of Karen Kirk; Matt Brinson, UHC; Jennifer Dahlquist, MHEC; Mary Karten and Chuck Olcese, KU. Student members James Cox, PSU and PJ Hopfinger, KSU, were unable to attend.

Minutes

The minutes from the December 17, 2018, meeting were approved.

Morneau Shepell – My Student Support Program

Lucas Bierlein and Matthew McEvoy provided information about Morneau Shepell's My SSP (Student Support Program) that provides mental health counseling services for international students who come to the U.S. to study. The program blends their existing large counseling infrastructure with technology, and intersects with international students in real time, with language and cultural matching, to address their unique needs.

The program also can support students who are on Study Abroad and those who return to their home country. Domestic students travelling abroad also could utilize the services, depending on how eligibility is defined. Specific training can be provided to faculty and staff who interact with international students so they know what geographical resources are available if the students need assistance.

Some of the universities served include Michigan State University, NYU, and UCLA and some universities have expanded to offer the program to all students. The program cost is a blanket, flat per student fee, based on average number of students on that campus for the year, which would range from \$20 - \$35 per international student per contract year. If multiple campuses are interested, that group size would be used to leverage the cost. The program operates on an honor system when helping a student, to allow the removal of barriers for students reaching out for service, but campus location is asked.

SIAC reps will take the program information back to their campus for further discussion and report back to the SIAC regarding interest.

ECI Waiver Report

Matt Brinson provided an overview of the ECI reports. Matt noted that the ECI's overview stated "Currently the only outstanding issue ECI has to report on is with the Out-of-Pocket standards that are

currently set for KBOR as the ACA has changed the maximum OOP that plans can offer and be ACA compliant to \$7,350 single/\$14,700 family in 2018. UHCSR has stated they plan to review the standards for PY 2019-20 with KBOR and prior to finalization ECI has offered to review any suggested changes any input we can offer given our work with waiver audit.”

Diana Malott suggested that this be tabled until a discussion is held about what changes, if any, will be made for PY 19-20 in light of UHC-SR’s proposal.

Rita Girth reported that PSU was highly impressed with the service ECI provided and their great communication and quick response time. As the ECI information was not “trade-marked” as being from the university, some who received an ECI email were confused. PSU plans to share information with students prior to future ECI communications.

UHC’s Reports

Dale Burns reviewed the UHC reports with data as of December 2018. The plan experience overview shows that the dependent loss ratios have been tremendously greater than the loss ratios for students. Previous discussions with the SIAC included investigating elimination of coverage for dependents, but that would not be a good option for graduate students.

The overall 2017-2018 loss ratio is 106%, which means for every \$1 collected, UHC paid out \$1.06, and that does not include the cost of operating the plan – premium tax, administrative costs related to claims payments, etc.

The student premium and loss ratio was 84.46%. If UHC’s target loss ratio is 82, that would mean a nominal trend increase would be needed. The dependent premium and loss ratio was 425%, which means for every \$1 collected, UHC paid out \$4.25.

After discussing with UHC underwriting the possibility of removing dependents from coverage, another option emerged to differentiate between Option 1 (all students who do not qualify for Option 3, the graduate student plan and Option 4, the international student plan). Option 3 and 4 students are incentivized to participate because Option 3 qualifying graduate students receive a 75% university premium contribution and Option 4 international students are required to provide documentation of health insurance coverage that meet waiver standards.

Historically student insurance plans were not comprehensive and provided limited benefits, but the Affordable Care Act (ACA) now requires coverage for things like all pre-existing conditions, preventive care, essential benefits, and unlimited benefits. Before the ACA, those with chronic illnesses or large claims did not find student insurance plans attractive, but that has changed and individuals have found the KBOR student insurance plan provides comprehensive benefits at a reasonable price as it is comparable to an ACA “gold” plan.

Dale Burns provided an overview of the various scenarios offered by UHC for Plan Year 19-20 and stated that all of the scenarios are actuarially supported.

1. Scenario 1 – rating the plan as it is currently, with one risk pool for students and dependents and all plan Options (1, 3, and 4) results in a 33% rate increase (from \$1702 to \$2267/year).

2. Scenario 3 – rating dependents separately for all plan Options (1, 3, and 4). For the dependents, UHC had to blend its book rate as the number of dependents is too low to rate on their own. Rating dependents separately increases the student-only rate to 16.1% instead of the 33%. But, the dependents' premium would increase 480.61%. The age of dependents is higher than the age of a typical student. The KBOR student plan is comparable to an ACA gold plan but it does not qualify for any ACA-related subsidies, so under this scenario the dependents might want to explore coverage on the ACA exchanges especially if they qualify for a subsidy. One university system that UHC works with has eliminated their equivalent of Option 1 because enrollment was too low and students were directed to the ACA exchanges.
3. Scenario 2. Because students in Options 3 and 4 are currently subsidizing those enrolled in Option 1, UHC looked at creating a separate risk pool for Options 1 and combining the risk pools for Options 3 and 4. UHC has created separate risk pools like this for the University of Florida system.

If Options 3 and 4 were in their own risk pool, their premium rate would increase 4.11% from \$1702 to \$1772. If Option 1 dependents and students were in their own risk pool, making it self-supporting of the claims cost those members experience, the premium rate would increase 114% from \$1702 to \$3643.

Diana Malott asked about professional students on the various campuses and whether they could be included in the Scenario 2 option. Examples provided were KUMC students, ESU nursing students, and WSU health professional students. Dale Burns responded that underwriting has agreed, although there are unknowns. If these professional students are included, their plan would be like Option 3 but without the university premium contribution.

4. Scenario 2a. For Option 1 participants, to minimize the premium increase, benefits could be changed as follows, for services received outside the student health service center.
 - a. Deductible change from \$500 to \$4000 in-network; \$1000 to \$8000 for out of pocket maximum
 - b. Coinsurance change from 80% to 70% in-network and 60% to 50% out-of-network
 - c. Out-of-pocket change in-network: from \$6,350 to \$7,350 per insured, per policy year and from \$12,700 to \$14,700 for all insured in a family, per policy year before the plan pays at 100%. (No changes to the out-of-network charges.)

Sheryl McKelvey requested UHC provide updated premium information for all of the scenarios reflecting the out of pocket change provided in Scenario 2a. Diana Malott stated that each university sub-committee needs to review this information and provide input to their SIAC member.

Mary Karten asked what happens if a student changes from one plan Option to another mid-year; how are the deductibles and out of pocket amounts impacted? Dale Burns will check and provide an answer.

ESU and FHSU reported that their universities require athletes to have coverage. Dale Burns stated he would look for intercollegiate sports claims under Option 1 and will provide information to the SIAC.

Good of the Order

1. Diana Malott: KU will host Regents health directors meeting in April and will invite the Morneau Shepell reps to discuss the My Support SSP program as recommended by the SIAC committee members.
2. The SIAC will have a conference call on Wednesday, February 27, at 12:30 PM to finalize discussions of the options for the 19-20 plan year benefits and premiums.

Future SIAC meetings

Future SIAC meetings tentatively scheduled for 12:30, KBOR Board Room:

1. Wednesday, May 1, 2019
2. Wednesday, September 4, 2019
3. Wednesday, December 4, 2019