KANSAS BOARD OF REGENTS
Student Insurance Advisory Committee
MINUTES
October 27, 2021

The October 27, 2021, meeting of the Student Insurance Advisory Committee (SIAC) was called to order at 12:30 p.m.

Members Participating by Video Conference Call:

Diana Kuhlmann, ESU COBO rep, Chair
Chelsea Dowell, KSU
Mary McDaniel-Anschutz, ESU
Amber Roberts Graham, KU
Madi Vannaman, KBOR
Matt Anderson, KUMC
Hollie Hall, KU student
Sheryl McKelvey, WSU
Carol Solko-Olliff, FHSU

Rita Girth participated for Karen Worley who had a scheduling conflict and David Schulte, FHSU student, was not able to attend. Also participating were Dale Burns and Matt Brinson, UHC-SR; Jennifer Dahlquist, MHEC; Julene Miller, KBOR; Aaron Coffey, WSU; David Liu and Balaji Karikeyan, WSU Student Government Association; Melissa Cole, KU; and Kelly Roberts and Carrie Armstrong, ESU.

Plan Renewal for Plan Year 22-23

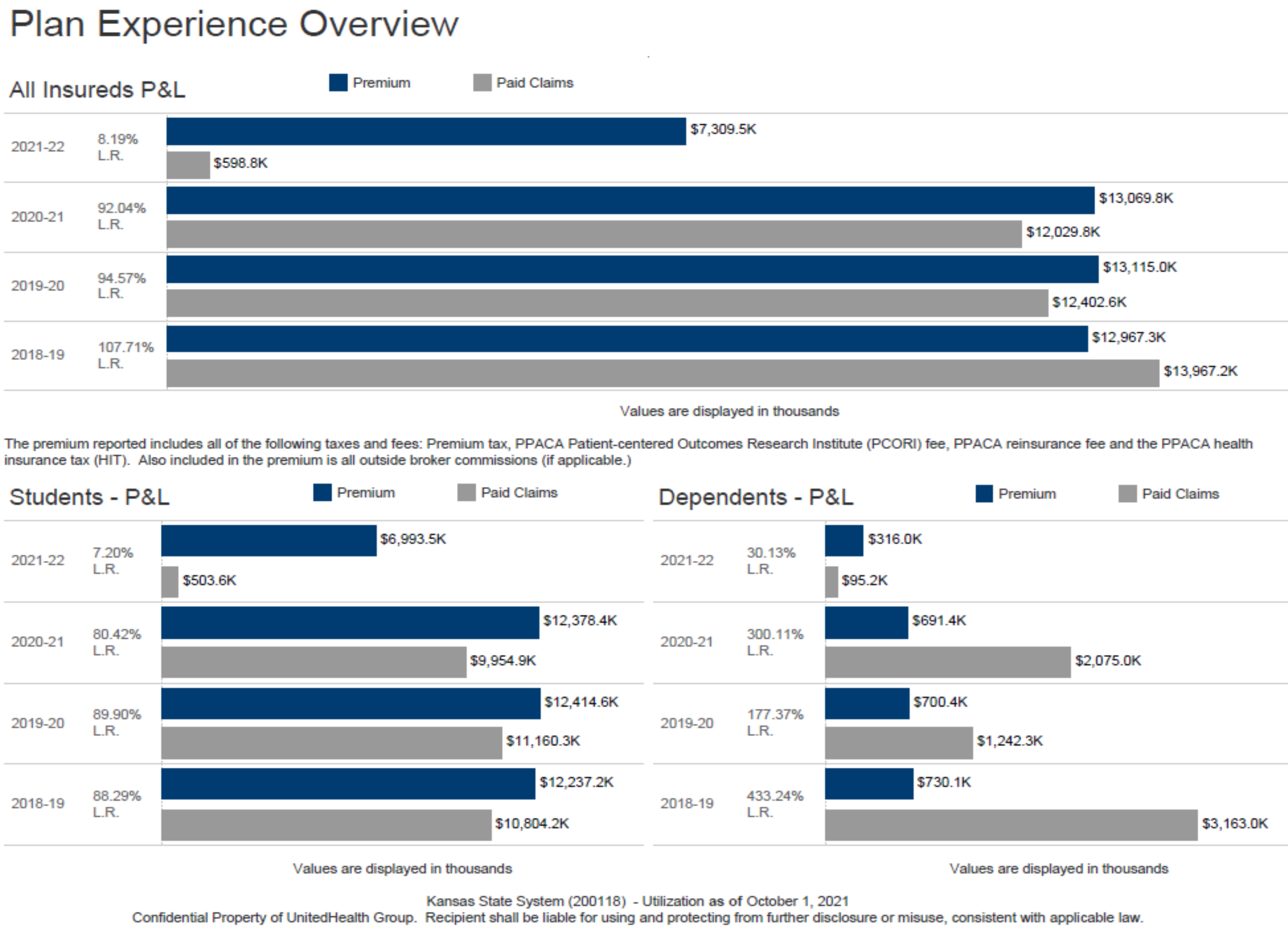
The SIAC discussed the UHC-SR renewal proposals that Matt Brinson shared by email, along with subsequent questions raised by the university sub-committees and UHC-SR's answers.

Matt Brinson reviewed information shared in an October 21, 2021, email about UHC-SR's underwriting approach for the KBOR renewal. Underwriting sets a target that approximately $.83 of every $1.00 collected is allocated to the payment of claims. The remaining $.17 is allocated to plan retention which makes up different facets of the policy that include plan administration, profit, compliance, state/federal taxes and fees.

This background was provided to give context for the KBOR utilization over the last few years. Below is a recap of the prior 3 years.

- In 18-19 the policy ran at a 107% loss ratio (total claims divided by total premium). In other words, we paid $1.07 toward claims payment for every dollar collected thus eliminating any plan retention and actually paying out more than was collected.
- 2019-2020 the policy ran at a 95% loss ratio. $.95 of every dollar went to claim payments and $.05 went to plan retention.
- Through the end of September 2021 for policy year 20-21, the account is at a 92% loss ratio. Although the policy year is complete, underwriting expects claims to continue for a few additional months and the final net loss ratio is projected to in the 94-95% range. Similar to 19-20 UHC-SR expects to pay $.95 of every dollar to claim payments and $.05 to plan retention.

Pricing looks at historical data and underwriting looks at where the account has been running and projects for two years from a pricing perspective to establish a target rate to manage the plan. For Plan Year 20-21, we are currently at 92% but will have "tail claims" for the next five to six months and the projection is that we will be close to the 95-96% loss ratio again which exceeds the target on the account by 12%. At this point, the data for 21-22 is very immature as it is data through September 2021. Plan Year 20-21, there was an anomaly with a decrease in international student enrollment, but for 21-22 the numbers do not reflect the numbers from the 19-20 plan year. Trends for medical and pharmacy costs are incorporated into the pricing also. The medical trend is around 9.5% and underwriting would increase that a few percentage points for pricing. Pharmacy costs are also trending much higher, around 20%, but in the last 3 months there has been a dramatic decrease to between 12-16%.



Sheryl McKelvey asked about PY 20-21 and how COVID related expenses impacted to the plan. Dale Burns responded that overall, UHC-SR has paid $2.5M in COVID related claims since the start of the academic year. UHC-SR is trying to model that impact to the entire block of student insurance business. Vaccinations are still free, but the plans have to pay for the administration of vaccines. Currently UHC-SR is paying COVID claims as any other claims; previously those claims had to be paid at 100%.

Aaron Coffey asked whether, now that things are getting nominally better, there anticipation that the backlog of services that were delayed because of COVID will occur. Dale Burns responded that UHC-SR does anticipate that, with particular concern being those who have with chronic illnesses (or symptoms that could be chronic) not going to the doctor during the pandemic. There has been an increase in chronic situations that were not addressed during the worst of the pandemic: 6% trend each year to get to 22-23 year which results in the 13% across the board increase for 22-23, given the 92% claims loss ratio.

Carol Solko-Olliff stated that although international enrollment is down, they are required to have insurance. She asked what the utilization by international students is as the FHSU experience is that international students do not utilize services like domestic students do.

Hollie Hall stated that as an international student, she agrees that the plan is becoming so unaffordable that removing the voluntary plan might be the best option forward.

Aaron Coffey asked if Option 1 is eliminated, what would happen? Dale Burns responded that the Option 1 group (undergraduate domestic students who are not required to carry insurance and students not eligible for the other plan Options) is getting smaller and smaller, and UHC-SR is doing its best not to subsidize Option 1. It appears that students are electing coverage and enrolling dependents on the plan, knowing that the premium cost is less than the benefits provided. For Plan Year 20-21, $600,000 in premiums were paid versus $2 million in claims. For Plan Year 18-19, $700,000 in premiums were paid and $3.1 million in claims were paid. Also, dependent enrollment is small for this group.

Hollie Hall asked about the possibility of students agreeing to pay premiums over time instead of by the semester and whether insurance needs to be reactivated each month? Also, international students might be having difficulties transferring funds from their home country, particularly during the pandemic. Dale Burns responded that he has had recent conversations about tuition financing with another company to see if it would work on the student insurance side. Preliminary information is that it would require a $50 payment and students would initially pay two months in advance and then continue to pay one month in advance. This discussion will continue as it may be a necessity going forward and information will be shared in the future. Sheryl McKelvey asked if the student does not pay, how would the universities track them and, if there is a huge claim, how would that be handled? Dale Burns responded that if insurance is required, then processes would have to be put in place. There is reluctance to promote it today as there are so many unknowns, and it would not be appropriate to put the international offices in between. Each of the universities responded that they bill international students each semester.

Mary McDaniel-Anschutz shared ESU's experience with Option 1 being elected primarily by students who age out of their parents' policy, or their parents lose their jobs/benefits. They have found the Marketplace is not very helpful in Kansas, with no subsidies, and Medicaid is useless for students unless the student is pregnant. Sheryl McKelvey reported the same difficulties and they have been in short-term plans for six months. Dale Burns stated that multiple companies offer short-term insurance and individuals would bounce back and forth between those plans, many do not have mental health parity, do not cover pre-existing conditions, etc. The State of Kansas is an active insurance regulator and that would be problematic.

Amber Roberts-Graham asked if dependent eligibility is eliminated for Option 1, what are the chances dependents would have another coverage option? Mary McDaniel-Anschutz responded that getting children under 19 on Kan-Care is not difficult, but at 19 getting onto Medicaid is difficult. It was confirmed that dependents can be enrolled in the KBOR student plan until age 26 but that international dependents would have to have their own status at age 21. Currently, there are eleven dependents covered under Option 1 (8 spouses and 3 students with one child each). Amber Roberts-Graham asked if dependent claims experience on Options 2, 3, and 4 is similar to that on Option 1? Matt Brinson responded that they are in the process of reviewing that data.

Dale Burns noted that Option 2 utilization is remarkably higher than the other Options. For the KBOR student plan, Option 2 is not exclusively for medical students as KU includes fellows and trainees (graduate students who get their own grants and no longer qualify for Option 3), pharmacy students, speech/language/hearing students and are included in Option 2. ESU, FHSU and PSU have nursing students that would fall in Option 2. KSU vet program and a PA program will be added. WSU includes nursing and athletic training students.

Matt Anderson stated that if dependents were removed from Option 2, that would hurt KU Med's recruiting and retention of medical students. Of the 72 students in Option 2 with dependent coverage, 48 are at KUMC.

Diana Kuhlman asked if UHC-SR or MHEC had any other general information about these increases and how they compare to other clients. Is the KBOR plan an outlier because of claims experience? What can we do differently to help manage the claims and reign in the rates? Matt Brinson responded that UHC-SR is in the process of exploring their book of business, average rates, comparison against comparable universities from a ratings perspective, identifying trends, and impact of COVID as it relates to overall enrollment and utilization. Also, will review abatement of claims that occurred in the 20-21 policy and what might be seen going forward as we normalize going forward. UHC-SR will work with Jennifer Dahlquist, MHEC, to look at overall market trends for student insurance. Dale Burns stated that one thing that could be done is to mandate insurance coverage for students that don't otherwise have comparable insurance coverage, as that would dramatically impact rates for each institution. Risk pools for Options 1 and 2, and dependents, would be much more stable and rates would decrease. It would be a major change to the current voluntary option and would take a multiple year effort to implement. Ohio State University requires all students to show proof of comparable coverage, or they are enrolled in the University sponsored SHIP plan. The plan covers about 15,000 students and dependents, and the annual medical rate is less than the cost of the Option 1 rates.

Julene Miller asked whether the 13%-across-the-board-increase rates are still lower than the highest medal rates available in the federal exchange. Dale Burns responded he would confirm, but the answer would be yes that the plans in the exchange have $5,000 annual premiums, with $10,000 deductibles and high coinsurance.

The initial renewal proposal included a 13% across the board premium increase, with no changes to benefits, eligibility or enrollment

	PY 21-22	PY 22-23	$ Change	% Change
Option 1	$3,861.00	$4,363.00	$502.00	13%
If dependents removed from Option 1	$3,861.00	$3,401.00	-$460.00	-11.91%
Options 2, 3, 4	$2,462.00	$2,782.00	$320.00	13%

UHC-SR provided additional renewal scenarios:
Scenario 1: Combine Options 2, 3 and 4 together and underwrite Option 1 on its own (and Scenario 3, remove dependents from Option 1)

	PY 21-22	PY 22-23	$ Change	% Change
Option 1	$3,861.00	$5,998.00	$2,137.00	55.35%
If dependents removed from Option 1	$3,861.00	$5,036.00	$1,175.00	30.43%
Options 2, 3, 4	$2,462.00	$2,689.00	$227.00	9.22%

Scenario 2: Combine Options 3 and 4 together and underwrite Option 1 and Option 2 on their own (and Scenario 3, remove dependents from Option 1)

	PY 21-22	PY 22-23	$ Change	% Change
Option 1	$3,861.00	$5,998.00	$2,137.00	55.35%
If dependents removed from Option 1	$3,861.00	$5,036.00	$1,175.00	30.43%
Option 2	$2,462.00	$4,300.00	$1,838.00	74.65%
Options 3, 4	$2,462.00	$2,462.00	$0.00	0.00%

Scenario 4: For all Options, change the Preferred Provider Tier 1 copay per prescription from $15 to $30 and change the out of network generic drug copay per prescription from $20 to $50 would result in a $12.00 decrease to the proposed student rate.

Scenario 5: For all Options, change the Preferred Provider out of pocket maximum from $8,200 individual/$16,400 family, to $8,700 individual and $17,400 family would result in a $2.00 decrease to the proposed student rate.

Diana Kuhlman asked whether Scenario 4 and Scenario 5 were options that the Committee wanted to consider and there was no support voiced for either Scenario.

Mary McDaniel-Anschutz, ESU – the subcommittee leaned toward Scenario 2. But after today's compelling discussion, and what might be best for the entire group, I support **Scenario 1** with the removal of dependents from Option 1.
Carol Solko-Olliff, FHSU – I support **Scenario 2**, but could live with Scenario 1, with the removal of dependents from Option 1. We are trying to protect the international population as they are required to have insurance.
Amber Roberts-Graham, KU – I support **Scenario 1** with removal of dependents from Option 1 because continuing efforts to further subdividing risk pools is antithetical to spreading the risk and that will not head us in the right direction in the long run. The subcommittee would be comfortable with the 13% across the board increase or Scenario 2.
Matt Anderson, KUMC – I support the **13% across the board increase**. I am uncomfortable with the 55.35% increase under Scenario 1. I abstain from voting on whether to remove dependents as that is not coverage utilized by KUMC. If it came down to Scenario 1 or 2, would support Scenario 1.
Chelsea Dowell, KSU – originally the subcommittee was split evenly between the 13% across the board increase and Scenario 1. With today's information, I support **Scenario 1** with the removal of dependents from Option 1. But I would be comfortable with 13% increase.
Rita Girth, PSU – I am most comfortable with **Scenario 2**, similar to FHSU's position, with the removal of dependents from Option 1. But I would be comfortable with Scenario 1.
Aaron Coffey, WSU – I support **Scenario 1** with removal of dependents from Option 1. If Scenario 2 or the 13% across the board increase was advanced, I do not have enough feedback to make a determination.
[Hollie Hall – student representative (Madi failed to ask for her vote during the meeting. When contacted after the meeting, Hollie indicated her vote would have been **Scenario 2** with removal of dependents from Option 1.)]

Total votes: Scenario 1, with removal of dependents from Option 1 (4): ESU, KU, KSU, WSU

Scenario 2, with removal of dependents from Option 1 (3): FHSU, PSU, student representative
13% across the board increase, abstaining from voting whether to remove dependents from Option 1 (1): KUMC

Diana Kuhlman asked UHC-SR whether this is the best and final proposal that can be presented to our system. Dale Burns responded they would go back to underwriter to ask for one last look considering Scenario 1, removing dependents from Option 1 to determine if there is anything else that can be done to mitigate the increase. A review of the entire analysis will be requested. Once that information is provided, it will be incorporated into the presentation to the Council of Business Officers.

Dale Burns asked for feedback about returning international students stating that at this point it appears 75% returned from the prior year. Carol Solko-Olliff responded that consulates have been closed, so the biggest challenge has been in obtaining visas. FHSU is encouraging students to start on-line and return when their visa is available. There are also some new vaccine requirements and Covid and any variants will impact them also. Mary McDaniel Anschutz responded that ESU's situation is similar to FHSU's; there is no shortage of students who want to come but travel and documentation are problematic. Aaron Coffey responded that at WSU there is no decline in international student enrollment, but an increase is expected.

As the meeting closed, Chelsea Dowell and Amber Roberts-Graham announced they will be leaving their respective universities. Jennifer Williams will replace Chelsea as KSU's representative, but KU has not yet determined Amber's replacement. Also, Sheryl McKelvey is retiring, and Aaron Coffey will be WSU's representative. The Committee expressed their appreciation for all the fantastic contributions Sheryl, Chelsea and Amber have made and wish them the very best!

Jennifer Dahlquist, Matt Brinson and Dale Burns stated that they would be available, if needed, to participate via Zoom in meetings as the Plan Year 22-23 proposal advances with the Council of Business Officers, the Council of Presidents, the Board's Governance Committee and/or the Board of Regents.

[On October 28, 2021, revised pricing (focused on Scenario 1 only) was provided and included the following information from Matt Brinson: "This revised pricing was accomplished in a two part approach. We initially met with underwriting and expressed the difficult decisions faced by the committee in reviewing all possible scenarios related to the 2022-23 SHIP renewal. They took that under consideration, our long-standing partnership with KBOR along with the potential return of additional students in future years.

In addition to this, UHCSR was awarded the MHECare contract continuing into the 22-23 policy year in which KBOR participates. As part of the contract award, there was a component of the contract that enabled MHECare participating members to achieve an increased target loss ratio based on increased membership from the prior year. This component of the contact is executed after membership in December 2021 is finalized. Although policy year 2021-2022 overall December membership has not been finalized; we have received approval to involve this component of the contract that would make it applicable to the KBOR 2022-23 renewal.

With underwritings willingness to further reduce rates in conjunction with our partnership with MHECare we were able to provide additional rate relief on the 2022-23 Scenario 1 renewal."

Scenario 1. Combine -2, -3, and -4 plan options together and underwrite -1 plan option on its own							
	Option 1	21-22	22-23	% Change	$ Change		
Original	Student	$ 3,861.00	$ 5,036.00	30.43%	$ 1,175.00		
Revised	Student	$ 3,861.00	$ 4,998.00	29.45%	$ 1,137.00		
	*Removed dependents						
	Options 2,3, and 4	21-22	22-23	% Change			
Original	Student	$ 2,462.00	$ 2,689.00	9.22%	$ 227.00		
Revised	Student	$ 2,462.00	$ 2,658.00	7.96%	$ 196.00		
	Spouse	$ 2,462.00	$ 2,658.00		$ 196.00		
	Ea. Child	$ 2,462.00	$ 2,658.00		$ 196.00		
	All Children	$ 4,924.00	$ 5,316.00		$ 392.00		
	All Deps.	$ 7,386.00	$ 7,974.00		$ 588.00		

Future SIAC meetings

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

A. Wednesday, February 2, 2022

B. Wednesday, May 4, 2022

C. Wednesday, December 7, 2022