KANSAS BOARD OF REGENTS
Student Insurance Advisory Committee
MINUTES
January 28, 2020

The January 28, 2020, meeting of the Student Insurance Advisory Committee (SIAC) was called to order at 12:30 p.m.

Members in Attendance:
Ethan Erickson, KSU, COBO rep, Chair
Diana Malott, KU
Mary McDaniel-Anschutz, ESU

Members Participating by Telephone:
Matt Anderson, KUMC
Jim Parker, KSU
Karen Worley, PSU
Sheryl McKelvey, WSU
Carol Solko-Olliff, FHSU
Hannah Heatherman, KSU student

Also present were Dale Burns and Matt Brinson, UHC-SR; Julene Miller, KBOR; and Emporia State students Paul Frost (President, SAC), Victoria Goetzinger and Erin Buckner. Others participating by phone were Jennifer Dahlquist, MHEC; Mary Karten, KU; Rita Girth, PSU; from FHSU: Lynn Adams – Student Health Services, Brad DeMers – Student Government, Jackilyn Dougherty – Student Government and Teresa Clounch – assistant VP for Student Affairs; and from KSU: Sharon Maike and Chelsea Dowell. Student member Kathryn Martinez, PSU, was unable to participate.

Minutes
The minutes from the December 4, 2019, meeting were approved.

From Previous Meeting: Fellows and Trainees
As requested, UHC's underwriting reviewed the request to add graduate students who are no longer eligible for the "3G" plan (Plan 3) to qualify for Plan 2. Many of these students have been appointed or hired as fellows or trainees based on their prior academic, research or teaching performance while serving as a graduate teaching or research assistant. They no longer receive the university premium subsidy of Plan 3 and have not received the lower premiums associated with Plan 2. UHC-SR reviewed census data from the two campuses that reported such students, KU-Lawrence and KSU, and Dale Burns stated they can be included in Plan 2 effective with Plan Year 20-21.

ECI Waiver Reports and Proposed Waiver Standards
Matt Brinson asked if there were questions or feedback about the ECI waiver process. Diana Malott asked if ECI has identified any more plans to note or question. Dale Burns stated ECI has been diligent in looking at off-shore programs and travel insurance products and has been communicating about issues as they arise.

To help ECI ensure that all plans meet waiver requirements, it was requested that each campus provide to Dale Burns the current waiver standards being utilized. That information will be compiled to compare the standards to see if there are any inconsistencies.

UHC Proposal for AY 20-21
Dale Burns apologized for the delay in getting information to the SIAC because of an underwriter's unexpected family emergency and the additional time needed for the internal UHC approval processes. Dale Burns stated that with the renewals, UHC is not trying to recoup previous years' losses but to set the premium rates at the appropriate amount to cover the risks insured going forward.

Dale Burns reviewed the UHC proposals and the impact that various benefit changes would have on premiums as well as two modifications that will be made to the plan:

1. Truvada (when prescribed for preventative care) has been changed from being subject to a copay to being covered with no copay, coinsurance or deductible being applied.
2. The following Prescription Drug programs have been added to the plan: Prior Authorization and Step Therapy.

Dale Burns noted that dependents are incurring a significant portion of the claims and they are completely voluntary participants. 100% of covered dependents are incurring claims, whereas 70% of covered students are incurring claims.

Diana Malott asked whether the KBOR plan could eliminate dependent coverage. Julene Miller stated that a state statute allows the Board to enter into group insurance contracts for students, and to provide for coverage for their dependents; participation in any such Board plan must be voluntary. The statute does not *require* the Board to provide a plan or, if a plan is provided, to include dependents. Julene Miller further stated that she is not aware of any federal law that requires dependents to be covered and feedback received from UHC and MHEC is that they agree. The Board's regulation (K.A.R. 88-30-2), that allows students to select dependent coverage, can be amended or revoked and the process can be initiated in anticipation of Board adoption of the recommendation to eliminate dependent coverage (if that were to occur).

Ethan Erickson asked whether revoking a regulation requires publication in the Kansas Register and whether the process takes about 3 months. Julene Miller responded that typically the process takes longer than 3 months, but sometimes can be completed more quickly; the timeline is not totally in the Board's control.

Sheryl McKelvey stated that a decision about whether to drop dependent coverage should not be made until we are positive we can offer policies to international student dependents. Jim Parker and Diana Malott agreed, stating such a change should not be contemplated for Plan Year 20-21 but possibly for future years. Dale Burns stated that UHC anticipated a drop in dependent enrollment for Plan Year 19-20 because of rate changes, but year-to-date it appears the dependent enrollment is static from Plan Year 18-19.

Dale Burns noted that there would be a 37.19% premium increase for one risk pool under UHC's initial proposal and reminded the Committee that under the Student Health Insurance Plan (SHIP) regulations, UHC is required to rate dependents at the same rate as the student. Thus, the spouse rate is 1x the student rate and the child rate is 1x the student rate and the all children rate cannot be more than 2x the student rate. Historically, the spousal rate was 3-4x the student rate. The result is that students are subsidizing the dependent premium.

Dale Burns stated that dependent claims are disproportionate to the number of dependents covered under the plan. Losses for Plan Year 18-19 are basically complete and show that the student only loss ratio is 87.74, the dependent only loss ratio is 432.11% for an overall loss ratio is 107%. The loss ratio reflects the premiums collected versus the claims paid. UHC paid $1.07 in claims for every premium dollar received, but there are other expenses related to the plan that are not reflected in that loss ratio (e.g., overhead, fees, taxes) that increase UHC costs by another $0.10 to $0.13 which means that UHC probably paid out $1.20 for every $1.00 in premium collected.

The initial UHC proposal for Plan Year 20-21, with the two plan modifications noted above:
Plan 1, student only rate would increase from $3,643 to $4,997, a $1,354 (or 37.17%) increase.
Plans 2, 3 and 4, student only rate would increase from $1,772 to $2,431, a $659 (or 37.19%) increase.

If dependents were removed and coverage was offered to students only, the proposed rates:
Plan 1: student only rate would increase from $3,643 to $4,364.22, a $721.22 (or 19.80%) increase.
Plans 2, 3 and 4: student only rate would increase from $1,772 to $2,122, a $350 (or19.75%) increase.

UHC proposed additional pricing adjustments for possible benefit modifications:

1. Increasing the prescription drug copayments, outside the Student Health Center, to $30/50%, would reduce annual premiums $15.00 across all plans.
2. 3 tier prescription drugs $30/40%/60%, would reduce annual premiums by $21.00 across all plans. Currently, at the Student Health Center, $5 copay for generic and 40% for brand prescriptions. Outside the Student Health Center, prescriptions are $15 for Tier 1, 40% for Tier 2 and 40% for Tier 3.
3. Increasing the out-of-pocket maximum to the highest level allowable, $8,200 single/$16,400 family, would reduce annual premiums by $79.00 across all plans.
4. Implementing a waiver for undergraduate students (for Plan 1 and some of Plan 2 participants) would result in a student annual rate of $2,248, or a 55.02% reduction from the Plan 1 proposed rates and a 7.52% reduction for Plans 2, 3 and 4 proposed rates. For Plan 1 it is a reduction of $2,749 from the proposed Plan Year 20-21 rates. For Plans 2, 3, and 4 it is a reduction of $183 from the proposed Plan Year 20-21 rates.

Diana Malott noted that the Plan 1 premium increased even though the medical loss ratio is predicted to be 75-80% and asked how the Plan 1 premium could be positively impacted. Dale Burns stated that yesterday he spoke with the UHC underwriter to ask about decreasing the Plan 1 premium with some benefit changes. The underwriter approved the following plan design modifications that would result in no premium increase in PY 20-21 for Plan 1:

1. Raise the deductible from $500 to $1000, for services outside of the Student Health Center (SHC) and for non-preventative services.
2. Decrease UHC coinsurance from 80% to 70%, but that would not affect preventative care benefits or care at the student health centers.
3. Add a separate $200 prescription drug deductible outside the student health centers. The current student health center benefit would remain the same; $5 copay for generic and 40% copay for brand name. Outside the student health center: $15 copay – Tier 1, 40% copay for Tier 2, 40% copay for Tier 3, up to 31 day supply per prescription.
4. Raise the out-of-pocket maximum from $6350 to $8200/single and from $12,700 to $16,400/family.

Diana Malott replied that the only item that would not be supported by the KU-Lawrence subcommittee is the out-of-pocket increase and asked if that change was eliminated, what impact would there be to the annual premium? Dale Burns will check with the UHC underwriter, but thinks it might be an insignificant amount as it was projected to result in a 1.6% decrease. But, he noted the variable is enrollment. Currently there are 700 to 800 Plan 1 enrollees. If premiums are changed, then enrollment could increase and that might mitigate the need for the change.

Jim Parker stated that if premiums increase it will be challenging to sustain Plan 1. It is better to keep premiums low and have other out-of-pocket changes. If the student suffers a catastrophic event, it is best to have insurance coverage in some form and that requires having affordable premiums.

Mary McDaniel-Anschutz noted that even though Plan 1 is doing fine this year, benefit changes for that group are still proposed and she asked if there is any thought to doing something to the group(s) with large claims loss ratios. Rita Girth agreed and stated that information showed that premiums for UHC's other plans for medical student typically cost annually between $4,000-$5,000 and that cohort seems to be one for which the KBOR plan is having a lot of claims. Sheryl McKelvey agreed it is a good idea to identify the population(s) with the larger claim amounts. Dale Burns stated that historically what has been driving claims costs are voluntary members (those in Plan 1). UHC found after creating Plan 2 that the rate charged for Plan 1 is about the right rate for that group. For Plan Year 20-21, Dale Burns suggests looking at the Plan 2 insured categories, identifying the different groups that are in that Plan and determining where the claims are coming from. In order to do so, the universities will have to report by type the students enrolling in Plan 2.

Diana Malott asked if there were options provided that subcommittees definitely supported or did not support. Karen Worley stated PSU would not support a hard waiver for undergraduate students as that would negatively impact enrollment. Sheryl McKelvey agreed about the hard waiver and stated that if the $8,200 out-of-pocket change only impacts Plan 1 that is something the WSU committee might revisit. Jim Parker said he desired to hold Plan 1 harmless as much as possible, wants to make it a viable option with limited premium increases and is open to any and all proposed changes. For Plan 3 graduate students and department budgets, Jim Parker said KSU desires to hold harmless that plan as much as possible, acknowledging that everyone understands that "we have to take our medicine" and dependents are the likely group that would need to be removed from the risk pool.

Matt Brinson provided examples of two clients that removed dependents from coverage. One removed dependents six years ago but have since brought them back on because of the support for dependent coverage. There was pushback from student groups, mostly graduate and international, requesting that the dependent coverage option. This resulted in the administration allowing for dependent coverage again which did impact the overall premium. Another client modified the dependent plan benefits but then changed their minds and reverted to providing the same plan benefits for all covered participants.

Jennifer Dahlquist provided information about MHECare's student private health insurance exchange with IXSolutions which offers some individual products and could offer coverage for dependents (both domestic and international). A URL would be posted to the university's website and students would work directly with IXSolutions. The exchange websites are branded to each institution and serve as a place where dependents can enroll in a health insurance plan, see if they're eligible for financial assistance, and learn more about the products available to them. The plan would need to be branded for dependents only and not students. MHECare currently does not have any clients offering dependent only coverage.

Karen Worley and Carol Solko-Olliff expressed concern about the Plan 4 rates, as insurance premiums are a big piece of the cost of attending university. Carol Solko-Olliff asked what options are available to reduce the premium. Karen Worley sees removing dependents as the only viable option, as does Jim Parker. Diana Malott asked about making other changes, except for the change in deductible, for Plans 2, 3 and 4. Sheryl McKelvey stated that WSU does not have a full-service pharmacy and a minimal number of prescription drugs are dispensed which is also true for PSU and ESU. Matt Brinson stated they will ask the UHC underwriter to price changes related to coinsurance, prescription drug copayments and/or adding a $200 deductible for prescription drugs. That information will be provided by January 29th and a conference call to discussion recommendations will be held on Tuesday, February 4, at noon.

Students who participated in the meeting were asked for their feedback and comments. Brad DeMers, FHSU, stated that having low premiums is the best option as having insurance coverage, even with higher out-of-pocket limits, is better than not having it. Paul Frost, ESU, said that it will be interesting to see how benefit changes will impact Plans 2, 3 and 4 and that it will be important to look at the dependent claims data as the Plan Year 18-19 data shows that it appears that 368 dependents account for a 432% loss ratio. Hannah Heatherman, KSU, said she echoed Paul Frost's statements about dependent coverage and that coming into the meeting she supported removing dependent coverage but now also wants to consider the additional information that was presented during the meeting. She also stated that undergraduate students see the impact that dependent claims have on overall rates and that keeping premiums as low as possible for all students would be best.

Paul Frost asked whether benefit changes to Plans 2, 3 and 4 would result in no premium increase. Dale Burns responded that there would be a decrease but some changes are not possible because of regulations that require certain benefit levels for international students such as a deductible no larger than $500 and a 70% coinsurance. Future premiums will be impacted by utilization and trends and Dale Burns reiterated that UHC is trying to assess premiums to support the claims cost. Premiums for the plan a few years ago were not sufficient and while UHC initially thought it was an aberration, insufficient premiums reoccurred for two subsequent years.

Paul Frost asked if there is a way to see how many students met the out-of-pocket maximum (the current $6,350 and the possible change to $8,200) and Matt Brinson said that information will be provided.

Good of the Order
Nothing was shared.

Future SIAC meetings
Future SIAC meetings tentatively scheduled for 12:30 (unless otherwise stated below), KBOR Board Room:

A. Tuesday, February 4, 2020, conference call at noon.
B. Wednesday, May 6, 2020
C. Wednesday, September 2, 2020
D. Wednesday, December 2, 2020