

KANSAS BOARD OF REGENTS
Student Insurance Advisory Committee
MINUTES
December 5, 2012

The December 5, 2012, meeting call of the Student Insurance Advisory Committee (SIAC) was called to order at 12:30 p.m.

Members in Attendance:

Diana Malott, KU
Sheryl McKelvey, WSU

Mary McDaniel, ESU
Madi Vannaman, KBOR

Members Participating by Telephone:

Ray Hauke, COBO (Chair)
Carol Solko-Olliff, FHSU

Cathy Lee Arcuino, PSU
Lannie Zweimiller, KSU

Vincent Loffredo, KUMC, and the student representatives, Scott Swaggart, PSU, and Michael Brinkman, WSU, were unable to participate.

Also participating were Matt Brinson, UHC-SR; Ben Coats, Peoples Benefit Group (PBG); Mary Karten, KU; Lesa Gilbert and Amanda Hass, KUMC and Julene Miller, KBOR.

Minutes

The minutes from the July 17, 2012 conference call were approved.

PBG Review of UHC-SR Reports

Ben Coates provided an overview of the PBG reports for the KBOR student insurance plan.

MHECare Status Update

Diana Malott reviewed the December 5, 2012, MHECare Status that included information about the newest universities that have joined MHECare. MHEC is growing much more quickly than what we thought it would initially. The goal that had been established was 15-20,000 participants, but by the end of this plan year there will be approximately 30,000 enrollees. At November's Big XII, meeting there was tremendous interest in having Compacts work together to build strength. MHECare shows potential for growing much larger, more quickly, especially from self-insured plans. MHECare's next step will be to review the "off the shelf" plans to determine if changes are needed and to look at benefits offered and premiums for the next plan year.

Federal Health Care Reform

Matt Brinson stated that the MHEC webinar provided a good overview of the importance of MHECare with the changing landscape of student insurance plans.

On November 26, 2012, a proposed regulation was released that would have a dramatic impact on student insurance plans going forward. Previously, student health insurance plans were going to be a segment, on their own, under the Affordable Care Act (ACA). Under the new proposal, student health insurance plans will no longer be experience rated on their own, per school, but will be included in the individual market place on state-by-state basis and the KBOR plan will lose the opportunity to be underwritten on a plan specific basis.

Under the proposed regulation, student plans will be subject to the 3-1 ratio where the premium for the oldest population could not be more than 3x the premium of the youngest population which will dramatically increase student insurance premiums. It is estimated that premiums will increase 100-200% and will impact students and the universities that contribute toward premiums for the graduate student plan. The result will be that student plans will leave the marketplace and that will impact health centers that are often wrapped with student insurance plans.

Comments on the proposed regulation are being received by the Department of Health and Human Services until December 26. The SIAC will ask that President Tompkins to submit comments on behalf of all of the state universities, and that the Student Advisory Group submit comments on behalf of students within the KBOR universities.

Voluntary or Mandatory Coverage

The SIAC discussed the possible impact of the ACA on the Board's voluntary plan and whether changes to the statute and/or regulation would be needed and when. Matt Brinson stated that the student insurance landscape is changing frequently and for plan year 13-14 voluntary plans will still exist. With the unlimited cap and the removal of pre-existing conditions exclusion mandated for plan year 14-15, UHC-SR will look at its book of business to make determinations about voluntary plans and whether there will need to be a "sound group of mandatory waiver participants," that is students who will have to document that they have comparable insurance coverage in place or they will have to enroll in the KBOR student insurance plan, such as graduate and/or international students in order to offer a voluntary plan. (After the meeting, Matt Brinson wrote that UHC-SR does feel it is necessary for plans to consider a waiver program for all students to ensure there is a viable and competitively priced plan for all student groups.)

The SIAC members were encouraged to make their administrative hierarchy aware of this issue and to also inform their governmental liaisons in case action on this issue needs to be taken.

Plan Year 13-14

Matt Brinson stated that plan year 13-14 will be "business as usual," except for mandated plan changes and increases. The maximum benefit cap will be increased from \$100,000 to \$500,000 and, under ACA, new fees and taxes will be imposed, which will impact premiums anywhere from 6-8%. The quotes for plan year 13-14 will be provided by January 15, 2013, and will have a "hotel bill" look that lists the new fees with % and \$ breakdown and a gross rate. The SIAC requests that the quote be for \$500,000 per illness/injury and also \$500,000 per plan year.

A 2% administrative fee is assessed (1.5% for Mercer's consulting services to MHEC and 0.5% for MHEC) and Diana Malott will find out if the amount of that fee will change for plan year 13-14 due to the MHECare increased enrollment, and what that percentage will be applied to (e.g., the gross rate or the rate before the fees and taxes).

Student Resources Going Green

Matt Brinson shared information previously distributed via email about UHC's commitment to reduce waste and its impact on the environment whenever possible including reduction of use of paper during claims processing. UHC will add claims document delivery to MyAccount, their online self-service for students. Students who prefer to receive paper communications can opt-out. MyAccount currently provides access to digital Explanation of Benefits, coverage details, network provider look up, temporary ID cards and links to ancillary service information. In early 2013, students will receive email notification with instructions to log

into MyAccount and review any recently added documents, including claims letters, as opposed to receiving paper copies.

Mary Karten asked whether language could be included in the on-line application, in the email address area, informing the student the email address will be used to send EOB and other UHC communication/information. Matt Brinson will check.

Student Insurance Verification Form

Mary McDaniel requested that the insurance verification form, used on some campuses for international students, be reviewed to determine whether it needed updating to meet ACA mandates. Matt Brinson noted that, among other things, changes were needed to the dollars for the sickness, injury and deductible categories; that the KBOR plan does not have a dollar limit associated with repatriation and medical evacuation; and questions about coverage for pregnancy and prescription drugs should be included.

Each university needs to review the verification forms used to ensure they address the ACA requirements, as the KBOR student plan will meet the ACA requirements.

Future SIAC meetings

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

1. Wednesday, February 6, 2013
2. Wednesday, May 1, 2013