

KANSAS BOARD OF REGENTS
Student Insurance Advisory Committee
MINUTES
May 1, 2013

The May 1, 2013, meeting call of the Student Insurance Advisory Committee (SIAC) was called to order at 12:30 p.m.

Members in Attendance:

Ray Hauke, COBO (Chair)
Mary McDaniel, ESU
Madi Vannaman, KBOR

Diana Malott, KU
Sheryl McKelvey, WSU
Lannie Zweimiller, KSU

Members Participating by Telephone:

Cathy Lee Arcuino, PSU

Carol Solko-Olliff, FHSU

Also participating were Matt Brinson and Dale Burns, UHC-SR; Ben Coats, Peoples Benefit Group (PBG); and Julene Miller, KBOR. Lesa Gilbert, KUMC; Mary Karten, KU; Jennifer Dahlquist, MHEC, and Bryan Kakita, Mercer, participated on the telephone.

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

Minutes

The minutes from the February 6, February 18 and March 15, 2013 meetings were approved. The February 6th minutes were updated to reflect this change on page two: “The 80% MLR is based on a calendar year so, for example, for PY 13-14 there will be ~~8~~ 7 months and for PY 14-15 there will be ~~4~~ 5 months. Conceivably, there could be two different students eligible for rebates, one for ~~8~~ 7 months and the other for ~~4~~ 5 months.”

PBG Review of UHC-SR Reports

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

MHECare/Mercer Reports

Bryan Kakita provided an overview of the Mercer reports presented to the SIAC.

Diana Malott asked whether there were a specific set of ICD-9 or CPT codes that go into the major diagnostic category “symptoms/ill-defined conditions.” Dale Burns replied it is really a catch-all category and includes anything without a diagnosis or if the health center does not provide a code. He will run a report that provides additional information.

KBOR Waiver Form for International Students

A. ACA/KBOR provisions – applicability to international students

Bryan Kakita stated there is no exception for international students; the PPACA says it applies to anyone regardless of citizenship. He noted there are some short-term limited duration plans (one semester) which would not help provide an international student the type of coverage that is needed.

Dale Burns provided additional information stating that if an international student is here for a short period of time and will not need to renew the coverage because they will not be attending school in the U.S., a short term limited duration (STLD) plan would still be an option. This is not a typical situation (because

few international students are attending school for less than a year and not returning), and a STLD plan would not generally comply with the PPACA. The Department of Health and Human Services provided guidance regarding the use of STLD plans (a copy will be provided). The guidance indicated that if the policy is renewed the second year, it will no longer qualify as a STLD plan and will be subject to all of the PPACA requirements, in addition to possible penalties. Mr. Burns also noted there is a distinction between a plan offered by an off-shore vendor and one issued by a U.S. based vendor. If the student insurance plan is issued by a U.S. based company, it has to comply with PPACA and will not be considered a STLD plan but would be a Student Health Insurance Plan. Student Plans are subject to their own rules and regulations as a type of individual product with specific exceptions, including guaranteed renewability, guaranteed availability, and rating methodology. The Aetna International Plan, from Bermuda, that is issued to the Saudi Arabian Cultural Mission (SACM) and covers Saudi students, may meet the minimum PPACA benefit requirements, but is not subject to the additional PPACA requirements imposed on domestic vendors (such as Minimum Loss Ratio and reporting requirements). If the off-shore plan includes coverage for PPACA required benefits, and if they meet the other waiver criteria (as defined by the committee), the plan would be adequate to waive the KBOR sponsored plan. The primary consideration is that the plans have to offer the same or better benefits as are required by the PPACA.

Dale Burns stated that for the waiver standards, the SIAC should consider requiring plans to meet the PPACA benefits (covering contraceptives, preventative care, with min/max out of pocket, and no max benefit) so those international company plans that meet PPACA will be allowed. Mr. Burns suggested that at a minimum, the SIAC might want international students to have the same benefits as a domestic student, otherwise the plan is inadequate. Bryan Kakita stated that he absolutely agreed with making benefits consistent for all students.

Sheryl McKelvey shared information from the American College Health Association: Affordable Care Act and Student Health Insurance webpage, specifically Q&A #21. (Q&A #20 was about “short-term limited duration insurance.”) http://www.acha.org/Topics/Affordable_Care_Act/FAQs_for_IndividualCoverageClassification.cfm#Q20

Q21: Do any special rules or exemptions under the ACA apply to policies for international students?

A21. No. The preamble to the final regulations clarify that all student health insurance must comply with the applicable provisions of the ACA without regard to the citizenship of the student insured. International students with a J-1 visa are also required to carry a minimum level of health insurance coverage by the State Department, and those requirements are not eliminated as a result of the application of ACA to such policies. In the preamble to the final regulations, HHS confirms that the ACA and State Department rules do not conflict. Note that insurance sold to international students attending only one or two semesters will most likely qualify as short-term limited duration insurance coverage exempt from the ACA (see [Q/A 20](#)).

Carol Solko-Olliff expressed FHSU’s concern about coverage for its 10-12 international athletes, as the KBOR student insurance plan does not cover intercollegiate sports. The vendor utilized by FHSU to cover international athletes has indicated that to make the plan PPACA compliant will increase the premium four-fold. No other SIAC representative was aware of issues or problems that their university has with coverage for international athletes.

Dale Burns stated that over the past couple of years, plan designs have had to change dramatically to meet federal requirements. The market for coverage for intercollegiate sports is shrinking and will make finding a plan more difficult. FHSU has two plans for intercollegiate athletes, one for internationals and another for nationals. The international plan will lapse for the summer semester; the lapse makes it a short term policy under the law but it is unknown whether companies will continue to offer the coverage in the future.

Julene Miller stated that the Board has authority to offer a voluntary student health insurance plan but does not have the authority to mandate participation in the KBOR student insurance plan. Each university has, in the past, developed the standards that had to be met by international student plans. The Board's policy requires that J-1 and F-1 visa holders must be able to show proof of health insurance coverage for each term for which enrolled, but does not establish any or require any specific level of coverage.

Diana Malott indicated that previously the waiver form had been consistently applied by all of the KBOR state universities and utilized standards set by U.S. State Department. By using common standards, the universities were thinking and acting like a group. As specific requirements for international student plan coverage are not currently mandated, each university can continue to determine what requirements international student plans must meet.

Diana Malott suggested that a waiver form be developed as she believes the structure provided would be in the best interest of the plan, and the on-campus student population. Ray Hauke clarified that the waiver form would be a recommendation and would not be a Board mandate.

A motion was made by Diana Malott that a waiver form be developed and used for international students that would indicate international students must have coverage comparable to national students, but that each university can elect to use different requirements. Mary McDaniel seconded the motion. The motion passed unanimously.

B. Draft Waiver Form –

Dale Burns stated that when reviewing other plan information it can be difficult to determine what the coverage is, and he suggested there should be a process in place where the plans are submitted and reviewed and a determination made whether minimum standards are met. He recommended the SIAC determine whether there should be a “red line” regarding what would have to be covered, whether the company is licensed to do business in the U.S. and whether the company has a U.S. based claims payer. Bryan Kakita suggested including information about the underlying coverage levels (actuarial value of the plan) and that he would provide information for the waiver form and he would speak with Liz Marks about helping to further develop the waiver form.

Diana Malott recommended that the SIAC members contact their international student offices to keep them informed about international student plans. Bryan Kakita stated he would discuss with Liz their involvement in the review of international plans so that information could be posted on the KBOR website.

Voluntary or Mandatory Coverage

Dale Burns stated that beginning with PY 14-15 there will be an unlimited maximum benefit as well as coverage for all pre-existing conditions. Some preliminary analysis indicates that plans sponsored by universities will be less expensive than plans available on the exchanges for comparably aged students. KBOR currently has approximately 7,000 insured students including 3,000 international students. With the increased PY 14-15 benefits, the plan will have greater exposure. With the \$7-8 million paid in premiums, over the long term the voluntary population (approximately 4,000) could have very poor claims experience and, with the unlimited benefit, a large claim could be ruinous to the plan. However, the lower cost and ease of enrollment (as compared to exchanges, individual products and Medicaid) could drive students to the KBOR plan. UHC-SR's underwriting is looking at having a sufficient base to support the voluntary students. They believe a waiver requirement would help mitigate insurance company risk and would help to

hold down the premiums. The waiver process is a continuum and can range from very simple (asking a single yes/no question) to more complex (with additional information and/or documentation required from the student).

Diana Malott asked whether the voluntary KBOR student plan would preclude establishing a waiver process. Julene Miller stated that each university can utilize the same process currently being utilized for international students and make the KBOR plan an option, and can do things that make the KBOR plan more attractive (more easily available, provide more information about how the KBOR plan may be a better value than other alternatives, etc.); however, the universities cannot demand or require or do anything (like essentially eliminate other viable alternatives) that makes it appear that the Board is mandating enrollment in its student plan.

Diana Malott suggested that the SIAC members take the waiver information back to university administration to discuss whether/how to implement additional questions in the enrollment and payment processes.

The questions could be: Do you have other insurance coverage, yes/no. If no, KBOR offers a student insurance plan that is PPACA compliant, would you like to purchase this coverage on a voluntary basis? Dale Burns agreed to share sample language used in the enrollment process. He suggested that an enrollment link be provided during the enrollment process as students do not like leaving the registration site to enroll in insurance coverage.

Julene Miller recommended that student insurance plan information be provided prior to the enrollment process so students (and families) have the opportunity to review and compare the plan with other options. Diana Malott agreed stating that information was needed at the time of admission, not enrollment and would require assistance from the admissions departments.

The SIAC will continue to work toward determining whether a waiver process can be implemented for PY 14-15.

KBOR Graduate Student Insurance Plan

The Kansas Insurance Department (KID) contacted both the KBOR Office and UHC-SR with questions related to the graduate student plan. Julene Miller stated that when UHC-SR submitted the KBOR student insurance plans for approval, KID's response contained objections as well as items to be addressed for the graduate student plan. One issue was whether the graduate plan could be a student plan or whether it would need to be an employer-employee plan as KID believed the graduate students were "employees" in part because the universities pay a portion of the insurance premiums. Julene Miller provided additional information to help KID distinguish and differentiate graduate students from other employees but other items still need to be addressed.

Dale Burns stated that responses and information have been provided to KID, noting the request that at a minimum for PY 13-14 be approved allowing KBOR, UHC-SR and KID to work through any issues for future plan years as ACA compliance is effective for plan years effective January 1, 2014. UHC-SR is seeing these types of issues throughout the U.S. and by the next KBOR renewal period Dale Burns stated they should be able to provide additional guidance from an industry-wide perspective.

English Language Program – WSU

It was recently discovered that Wichita State University has been utilizing a special coverage category for “English Language Program” students who participate in an intensive English program. Premiums are the same as the “Visiting Faculty/Scholar” rates. The students are charged for monthly insurance coverage from October through December or March through May and coverage takes effect the first of the month. WSU also has a group of students who start at the beginning of the summer session, but their 8 weeks coincide with the summer coverage dates. UHC-SR reports there are currently 29 students with this coverage for PY 12-13, and all of them have multiple months of coverage.

All KBOR state universities can utilize the student plan for monthly coverage for students who are participating in special programs that last less than a semester.

Future SIAC meetings

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

1. Wednesday, September 4, 2013
2. Wednesday, December 4, 2013