

**STUDENT HEALTH INSURANCE
ADVISORY COMMITTEE
Information for December 2, 2015**

AGENDA

Kansas Board of Regents
Student Health Insurance Committee
Kansas Board of Regents Board Room
Wednesday, December 2, 2015, 12:30 p.m.

- I. Approve: Minutes from the September 2, 2015 meeting
- II. MHECare Reports – December 2015 meeting: Comments on 2014/15 experience
- III. Graduate Student Insurance Plans – employer subsidies update (Matt Brinson)
- IV. Good of the Order
- VI. Future SIAC meeting tentatively scheduled for 12:30, KBOR Board Room
 - A. Wednesday, February 3, 2016
 - B. Wednesday, May 4, 2016

KANSAS BOARD OF REGENTS
Student Insurance Advisory Committee
MINUTES
September 2, 2015

The September 2, 2015, meeting 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
Angela Murphy, Student representative, KU	Jim Parker, KSU
Madi Vannaman, KBOR	

Members Participating by Telephone:

Mary McDaniel, ESU	Carol Solko-Olliff, FHSU
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Also present at the meeting were Lesley Gagnon, Mercer; Amanda McDiffett, KSU; and Julene Miller, KBOR. Participating by phone were Vickie Mense, representing PSU as Cathy Lee Arcuino was unavailable; Lauren Arney, student representative from KU; Lynn Adams, FHSU; Matt Brinson and Dale Burns, UHC-SR; and Bryan Kakita, Mercer. Cindy Bontrager, COBO Chair, and Valerie Noack, KUMC, were unavailable.

Minutes

The minutes from the May 6, 2015 meeting were approved as distributed.

MHECare Report

Bryan Kakita reviewed the information contained in the MHECare report. Leslie Gagnon requested that UHC provide additional information to drill down into the numbers for the Lawrence Memorial Hospital Outpatient Paid Amount to determine visit types and causes.

Follow-up on Items from the February and May 2015 Meetings:

Representatives from each of the campuses confirmed they utilize the KBOR waiver guideline information provided by Bryan Kakita. Diana Malott commented that the question has always been what to do with plans that meet ACA guidelines but do not meet the KBOR plan's ACA benefit level. Jim Parker stated that the end effect is that health centers can be placed in a position of losing money if accounts receivables cannot be collected. Vickie Mense stated that PSU's health center only files claims for UHC-SR and if the student has other insurance, the student has to pay and then get reimbursed by the insurance company.

Diana Malott stated that about the only thing that can be done is to work with the campus international offices to encourage them to review the plans and ensure that the plans meet the KBOR waiver guidelines.

Angela Murphy asked if there is any way to know how many international students have an ACA compliant plan that is not KBOR compliant so that a determination can be made about how big of an issue this might be. Consensus is that there is no way to know.

Madi Vannaman asked if there was a way to determine the associated accounts receivables. Jim Parker responded that they are aware of \$7,000 from one particular cohort and a high percent that KSU knows they will not be able to collect because they are overseas accounts receivables. But, KSU has not determined a way to track this better. Diana Malott shared that because of billing issues, KU has changed its billing practices for students with short stays, and the student has to pay at the time for services received.

Angela Murphy inquired whether knowing the number of students on F1 and J1 visas and extrapolating that number would be helpful. Diana Malott responded that often individual departments host scholars or researchers that the international offices may not know about so it would be difficult to come up with numbers.

This agenda item may be revisited in the future if any of the campuses wish to discuss it or if new ideas surface. Jim Parker has had conversations with other institutions and with Matt Brinson to get a better understanding of the issue when some insurance products do not meet ACA requirements and the ramifications to the campuses. There is a commitment at KSU to discuss this because of the potential additional financial exposure and the desire that students have good insurance coverage at a reasonable cost.

UHC-SR Brochures

The plan year 15-16 information was approved by the Board of Regents in March 2015 and, after UHC-SR's compliance section finalized information, the plan was filed with the Kansas Insurance Department (KID) in early May 2015. On July 21, 2015, KID approved the filing.

KID provided feedback to the KBOR Office and indicated that "one thing that could be considered for next year would be to see if UnitedHealthcare Insurance Company or whichever company you may contract with could have the filing to KID in March or April to allow more review/response time."

Matt Brinson and Dale Burns acknowledged the need to get the filing to KID sooner and have discussed with UHC compliance the need to file the plan shortly after the Board of Regents agrees to the renewal and benefits, which should result in the filing occurring as early as March but definitely by April.

Removal of the exclusion for intercollegiate athletics was discussed. Late in the filing process, KID advised UHC that before the filing would be approved, some exclusions had to be removed including sky diving, parachuting and the intercollegiate athletics exclusions in order for the plan to meet the state's essential health benefits provisions.

After discussing this with the KID for about a month, UHC removed the exclusions. UHC had tried to communicate to KID the large exposure to the KBOR plan by including intercollegiate athletics because of the plan's unlimited benefits and the fact that this coverage had not been priced for the potential claims impact. Additionally, intercollegiate athletes are provided NCAA coverage for claims over \$90,000 as a condition of participating in NCAA sports. Students enrolling in the KBOR plan would have UHC as primary coverage because the student is the named insured due to their individual enrollment in that plan whereas the NCAA plan is a blanket policy based on dues paid to the NCAA by the institution. No further movement on this topic by KID is expected.

Angela Murphy asked if enrollment will be impacted because of the removal of this exclusion. Carol Solko-Olliff stated that FHSU's 15-18 international student athletes will enroll in the KBOR plan. Dale Burns stated that across UHC's book of business, claims costs increased by 10% because of intercollegiate sports claims and he speculated that over a period of 2-3 years more athletes will purchase the plan because it is an economical option.

Leslie Gagnon asked if claims associated with intercollegiate athletes will be tracked. Dale Burns replied yes, these claims will be in a separate category and the utilization report will reflect these claims and will differentiate them from intramural and club athletes.

Visa Types and Insurance Requirements

Sheryl McKelvey asked for information about how the universities handle different visa types and insurance requirements. Information provided by the universities was shared that will help WSU address the students with H visas who were unhappy because they are required to purchase the medical and repatriation coverage, which is required for all international students.

Graduate Student Insurance Plans

An issue related to the application of the Affordable Care Act (ACA) to student health insurance plans, and coverage for graduate students, has been noted. Informal, apparently unwritten guidance provided by the IRS to some schools and/or their insurance brokers raises questions about whether employer premium contributions are permissible to student plans since they have been categorized by the IRS as individual policies. KBOR has broached this topic with Mercer and, along with many other universities, will await further anticipated IRS clarification.

Once that clarification is provided, if it is determined that the provisions of the KBOR plan for graduate students are impacted, consideration will be given to all options to determine what will work best going forward.

Lesley Gagnon stated that Mercer has spoken with other large universities across the country and most are taking the same approach. A few institutions with smaller participation in their insurance plans dissolved their plans altogether. Research institutions are in the same boat as KBOR as the graduate student health plan is important for recruiting and budgeting purposes.

Julene Miller provided the following context: The original IRS notice was issued in 2013 and was intended for small business, and was not specifically directed at higher education or graduate assistants. It appears the IRS wanted to discourage those small business employers from pushing their employees into individual plans rather than providing an employer plan. We are unaware of anything in writing from the IRS specifically directed at higher education institutions, and the information appears to be based on informal conversations about its applicability to higher education. When the IRS learns the extent of the impact and the distinctions between the two scenarios, there is hope they will provide written guidance. Additionally, the fact pattern for the KBOR plan differs from what we have seen to date. It is unknown whether those distinctions make a difference.

Good of the Order

1. Diana Malott shared that she became aware of a student being upset because the vision information received differed from the information on the website. Matt Brinson responded that he will look into the vision information located on the UHCSR website to ensure it is information for the correct vision plan.
2. UHCSR video for international students. Diana Malott had shared the video with international offices at KU and the feedback is that the video is very nice but might not be basic enough to help international students understand the terms used. International students might need a how-to, step by step, video demonstrating how to utilize the health plan, etc. Sheryl McKelvey stated it might be helpful if the video was in various languages. Matt Brinson stated that UHC will continue to develop these videos while at the same time work toward a hosting site within UHCSR.com for all completed videos.
3. Mary McDaniel stated that some ESU students, primarily international students, are experiencing difficulty because they do not understand the need to check their UHC account and she asked if there is a way students can receive an email alerting them that information has been posted to their account. Matt Brinson responded that students should be receiving those emails and asked for names of a few of

the students so UHC could double-check that emails were sent. Carol Solko-Olliff commented that sometimes those emails can go to junk email and be missed.

4. Vickie Mense asked about coverage for students from Palau who do not need visas but are considered international students. Dale Burns stated that this issue arises with students from Puerto Rico, the U.S. Virgin Islands or other territories. Those students are eligible for the domestic plan.

Future SIAC meetings

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

1. Wednesday, December 2, 2015
2. Wednesday, February 3, 2016
3. Wednesday, May 4, 2016

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Kansas Board of Regents

December 2, 2015



Overview

- This summary updates the last report (September 2, 2015) with experience for the 2014/15 plan year. At that time, Mercer used claims paid through July and estimated the year end results. We projected that medical claims were 85% complete and prescription drugs 95% complete
- The following chart compares our last projection with results through October. The claims are slightly higher than projected. The loss ratio has increased from 53.3% to 54.9%, but still remains favorable

<i>Total KBOR 2014/14 Plan year</i>	Total Enrollment	Premium	Medical Claims	Rx Claims	Total Claims	Per Capita Cost	Loss Ratio
Projected as of July 2015	6,970	\$10,661,154	\$4,717,077	\$970,581	\$5,687,658	\$816.02	53.3%
Actual as of October 2014	6,970	\$10,661,154	\$4,880,057	\$970,581	\$5,850,638	\$839.40	54.9%

- In reviewing the updated experience there was no one area of impact, and it appears that the completion factor was lower than expected



Large claims

- Since variations in large claims can have a significant impact, we reviewed the claims over \$25,000 from the last experience reports, shown below

#	Group	Relationship	Total Paid Amount	ICD-9 Description
1	University of Kansas	Student	\$379,803	DERMATOMYOSITIS
2	Kansas State University	Dependent	\$194,402	TRANSITORY TACHYPNEA OF NEWBORN
3	University of Kansas	Student	\$123,889	LOCALIZED SUPERFICIAL SWELLING MASS OR LUMP
4	University of Kansas	Student	\$112,261	MULTIPLE SCLEROSIS
5	University of Kansas	Student	\$80,306	COMPRESSION OF BRAIN
6	University of Kansas	Student	\$44,804	REGIONAL ENTERITIS OF UNSPECIFIED SITE
7	Kansas State University	Dependent	\$42,446	OSTIUM SECUNDUM TYPE ATRIAL SEPTAL DEFECT
8	Wichita State University	Student	\$39,711	UNSPECIFIED DEFORMITY FOREARM EXCLUDING FINGERS
9	University of Kansas Medical Center	Student	\$38,843	MALIG NEOPLASM OTHER SPEC SITES FEMALE BREAST
10	Kansas State University	Dependent	\$34,738	MALIG NEOPLASM LOWER-OUTER QUADRANT FE BREAST
11	Emporia State University	Student	\$25,068	INTERNAL HEMORRHOIDS WITH OTHER COMPLICATION
Total			\$1,116,270	

- We noted that the updated experience reflected no change in the number of large claims and the total claim dollars paid were consistent
- At the March Committee meeting, we will update the 2014/15 experience to reflect premium and claim adjustments as the year experience will be complete at that time

