The February 4, 2015, meeting of the Student Insurance Advisory Committee (SIAC) was called to order at 12:30 p.m.

Members in Attendance:
Cindy Bontrager, KSU (COBO Chair)  Mary McDaniel, ESU  Mary Vannaman, KBOR
Sheryl McKelvey, WSU      Madi Vannaman, KBOR

Members Participating by Telephone:
Jim Parker, KSU  Carol Solko-Olliff, FHSU

Also present at the meeting was Lesley Gagnon, Mercer and Julene Miller, KBOR. Participating by phone were Mary Karten, KU; Matt Brinson and Dale Burns, UHC-SR; Jennifer Dahlquist, MHEC; and Bryan Kakita, Mercer. Diana Malott, KU; Cathy Lee Arcuino, PSU; Valerie Spencer and Alisha Wittstruck, KUM; and student representatives Andrew Peuchen, KSU, and Matthew Conklin, WSU, were unable to attend.

Minutes
The minutes from the December 3, 2014 meeting were approved as distributed.

Follow-up on Items from the December 2014 meeting:
A. Madi Vannaman asked about reviewing other UHC insurance plans that are being offered to international students to determine if they are ACA compliant as they are less expensive than the KBOR plan. Dale Burns and Bryan Kakita will work together to gather information and compare the plans, as Dale Burns stated that those other UHC offshore underwritten plans are not ACA compliant.
   i. Bryan Kakita and Dale Burns discussed this issue and both agreed that concerns about those plans not being PPACA compliant were addressed at the May 1, 2013 Student Insurance Advisory Committee meeting. Meeting notes at that time indicated that specific concerns about non-compliant plans would be considered adequate to waive the KBOR sponsored plans if the benefit requirements were met with the primary consideration being that the plans have to offer the same or better benefits as are required by the PPACA and the KBOR plan.
   ii. Dale Burns stated that the UHC company for these plans is offshore (Cayman Islands), also ISO and a handful of other plans that are “shelf” international plans are being promoted on an individual basis primarily, to international students, and sold off-shore (not domestically). In reviewing these plans, he noted that some of the government sponsored plans (Saudi and Kuwaiti) provide comprehensive coverage for their students, with no deductible and 100% coinsurance. Other international plans may or may not offer coverage that meets or exceeds the KBOR plan, but it is impossible to go through every benefit to determine if the coverage is really comparable or better. Dale Burns provided an example of a claim he was recently made aware of that was not covered under the shelf plan but is covered under the KBOR plan.
   iii. Bryan Kakita asked whether international plans need to be PPACA compliant anymore. Dale Burns referenced a December 19, 2014, law signed by President Obama that specifically referenced international students and missionaries and the only requirement is that the plan has to be at least 60% actuarial value. Although the regulations have not been written, it appears that every other ACA requirement is not applicable, which will result in international students potentially purchasing plans that have limited coverage (at a lower cost). The availability of these plans will create
additional burdens on the universities to review the plans and determine if the plans meet the waiver requirements. Dale Burns suggested that consideration be given to advocating waiver guidelines that would only allow an international student to waive the KBOR plan if they were covered under a Government sponsored plan, such as the Saudi Arabian Cultural Mission.

Jim Parker, KSU, stated it would be helpful to have a discussion with direct stakeholders because there has been confusion with insurance coverage purchased by international students. He cited service issues including that some insurance companies will not allow electronic transmission of health claims. Cindy Bontrager reiterated that it would be helpful to provide more time to discuss international health insurance coverage with campus constituents. Mary McDaniel stated that the university health center directors would discuss this at their April meeting and Carol Solko-Olliff stated that the Kansas international educators group would discuss this at their March meeting.

This item will be added to the SIAC’s May agenda.

**MHECare Experience Overview, PY 14/15 and 15/16 Renewal Recap and Proposed Rates**

Bryan Kakita reviewed the MHECare report provided to the SIAC that showed:

1. The plan experience has been favorable under UHC-SR with paid loss ratios (paid claims relative to premium collected) of 49.9%, 66.5% and 66.1% for 2011/12, 2012/13 and 2013/14, respectively. The target loss ratio for UHC-SR is approximately 73.1% including PPACA fees (78.0% net of PPACA fees) resulting in projected gains for UHC-SR all three plan years.

2. The most recent completed plan year utilization (2013/14) showed increases in large claim activity, which was impacted by a PPACA mandated increase in the plan maximum. All other utilization metrics remained fairly stable and comparable to prior year date. The additional data requested on behavior health claims (inpatient, outpatient, etc.) is pending. Available prescription drug reports show mental health related drugs account for 7.7% of all prescriptions, 13.7% of total utilizing patients and 19.9% of total drug spend in 2013/14.

3. Changes needed to make the plan PPACA compliant for the 2014/15 plan year resulted in a +15% rate change. In response to Mercer’s initial request for the 2015/16 renewal, UHC-SR proposed a rate decrease of -0.8%.
   a. A modification to rates was required to be PPACA compliant and to adhere to state filing requirements: spouse/child rates cannot exceed the student rates; premiums for two or more children cannot be more than 2x the student rate, and full family premium cannot exceed 4x the student rate. Also, a benefit change to remove the exclusion for congenital conditions was required.

4. Mercer negotiated the rates on several key points including: changes in calculation methodology; trend factors utilized in the calculation were higher than expected and higher than projected trends for other student health insurers and large claim adjustment factors.
   a. Negotiations resulted in a revised renewal reflecting a -5.5% premium decrease for 2015/16.
   b. Very large decreases are seen on dependent rates which will likely increase enrollment and create potential deficits due to the higher expected claim costs for these members. Adverse selection results from the fact that this group is voluntary and does not have access to primary care through the university health center. Any additional dependent enrollment has not been taken into account in this renewal.
   c. One option: KBOR could consider holding the current student rates rather than giving a reduction (except for dependents) and use the difference between the renewal and current rates as a stabilization fund, common in student health plans. This fund could be used to offset the potential adverse selection from dependents or future utilization.
Dale Burns stated that if a stabilization fund was to be created, UHC’s legal counsel would have to review it as premiums are defined as anything collected. Madi Vannaman stated that COBO had been provided preliminary information at their meeting earlier today and there was lack of support for the stabilization fund which would have current students subsidizing future students’ premiums. The SIAC did not voice objections to COBO’s perspective.

Dale Burns stated that UHC-SR anticipates additional dependent enrollment which will be a wild card, but the rate changes will be positive for international students who have, over the years, complained about the cost of dependent coverage.

Jim Parker moved that the rates reflected on page 6 be recommended to the Board for approval. Sheryl McKelvey seconded the motion which passed unanimously. Madi Vannaman stated she would try to get this on the Board’s March agenda.

The rates, showing the student rate included with the dependent rates:

<table>
<thead>
<tr>
<th>Group rates (w/student rate included in all categories)</th>
<th>2014/15</th>
<th>2015/16</th>
<th>Annual Rate Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>$1,489</td>
<td>$1,407</td>
<td>$(82)</td>
</tr>
<tr>
<td>Spouse</td>
<td>$7,451</td>
<td>$2,814</td>
<td>$(4,637)</td>
</tr>
<tr>
<td>Each Child</td>
<td>$6,854</td>
<td>$2,814</td>
<td>$(4,040)</td>
</tr>
<tr>
<td>All Children</td>
<td>$6,854</td>
<td>$4,221</td>
<td>$(2,633)</td>
</tr>
<tr>
<td>All Dependents (full family)</td>
<td>$12,816</td>
<td>$5,628</td>
<td>$(7,188)</td>
</tr>
</tbody>
</table>

*This category not offered in PY 14/15*

**Good of the Order**

1. **Medical emergency coverage** (WSU) –Sheryl McKelvey shared information about a situation encountered by a WSU student whose claims were denied because UHC-SR determined the diagnosis did not indicate an urgent, life threatening claim. The question is how is a student to know if symptoms are indicative of a minor or major illness? Dale Burns stated UHC-SR uses a grid or matrix for emergency treatment situations that includes things like laceration, coughing blood, etc. and believes this situation might not have fit into that grid. But, he said that he would provide information about this incident to a UHC-SR committee that looks at claims for reconsideration.

2. **Certificate of coverage, International students** (WSU) –Sheryl McKelvey shared information about an international student from Syria, a country that provides a national, public health system. This student was requested to provide prior credible coverage to document “certificate of coverage” so that the pre-existing conditions clause would not apply. Matt Brinson stated he has been working on this situation since he was made aware of it and has reached out to internal affairs and compliance groups to determine how claims that are coming from such countries should be processed.
3. **Collegian assistance program** (WSU) – Sheryl McKelvey asked if a student calls this program and a nurse instructs the student to go to the ER, can the student assume claims will be covered? Dale Burns responded 100% yes. Sheryl McKelvey asked whether UHC-SR would provide cards they could provide to students that contain the contact information for the program. Dale Burns replied that UHC-SR recently sent flyers to PSU to provide students a guide to get their “My Account” set up which is helpful as the student can also verify the student’s address on file. UHC-SR will determine if there are other options besides printing and providing cards with this information, including possibly providing the card and info in an email that the universities can use.

Lesley Gagnon asked whether students can log-in on their mobile phones. Dale Burns replied that yes, once the student is enrolled, the student receives a UHC-SR email about setting up “My Account” and there is a mobile app that can be downloaded. Once “My Account” is set up, UHC-SR can communicate directly with the student about claims (status of payment, if other info is needed, etc.) Dale Burns will research which schools are sending email addresses with the international student listings.

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

1. Wednesday, May 6, 2015
2. Wednesday, September 2, 2015