

KANSAS BOARD OF REGENTS
Student Insurance Advisory Committee
MINUTES
September 30, 2020

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

Members Participating by Video Conference Call:

Doug Ball, PSU, COBO rep, Chair

Diana Malott, KU

Sheryl McKelvey, WSU

Carol Solko-Olliff, FHSU

Matt Anderson, KUMC

Mary McDaniel-Anschutz, ESU

Chelsea Dowell, KSU

Karen Worley, PSU

Brayden Soper, ESU student, and Suraj Shankar, KUMC student, were unable to participate. Also on the call were Dale Burns and Matt Brinson, UHC-SR; Jennifer Dahlquist, MHEC; and Julene Miller, KBOR.

2021-2022 Plan Renewal

Background information from the September 2, 2020 meeting: UHCSR discussed the early renewal offering available for a subset of clients, including KBOR. Two options were presented for consideration for the 2021-2022 academic year:

1. Commit to Renew Now (“Fixed Rate”): At an agreed upon increase of 9% to lock in the premium rates for the next academic year; or,
2. Commit to a Future Renewal (“Rate Guarantee”): UHCSR will agree that the renewal rates for the next academic year will not exceed a cap of 12%. The actual rates will be increased by 12% or less, determined through negotiation at the typical renewal time.

The “Fixed Rate” increases would be applied across the board to all Plan options and all Plans would retain their current benefit offerings. The “Fixed Rate” option would remove any uncertainty for the next Plan Year and students could be informed about the Plan in the spring, before the end of the academic year, which may positively impact enrollment. That timeline would also be helpful in securing timely KID approval and the production of Plan documentation for the website.

At the September 2, 2020, meeting, Dale Burns stated that underwriting looked at COVID abatement, where claims went down in April through June, but are now trending up to where they were before. When looking at Plan Year 19-20, the underwriters looked at variation in claims cost from what would have been expected. As time goes on, those claims that were abated will resume. The underwriters used Plan Year 18-19 and part of Plan Year 19-20 through March as the baseline. Plan utilization was 90% in Plan Year 16-17, increased to 108% in Plan Year 17-18 and 107% in Plan Year 18-19, which resulted in large rate increases. The underwriters believe the Plan now is rated appropriately. The premium increase is needed for the “trend” increase going forward, and what that trend increase will be is unknown at this time. The trend increase reflects costs associated with utilization (medical and prescription drug) and increased cost by contract providers. The 21-22 Plan Year would get credit if there is favorable enrollment or low utilization during Plan Year 20-21. Currently, more than 9 out of 10 students who purchase the voluntary plan use it and for the incentive plans, 7 out of 10 students enrolled in the Plans use the benefits.

For the September 30th meeting, Doug Ball shared that the reaction at PSU was positive and they appreciated the options UHCSR offered. Carol Solko-Olliff stated that FHSU also appreciated the early renewal and wondered how the 9% increase was derived as there would have been less insurance usage beginning in March. Dale Burns responded that there was a drop in utilization beginning in March that continued throughout the summer. In a UHCSR meeting this past Monday, claims costs were nearly back

up to where they were at the same time last year. There was a dramatic decrease in utilization but that is rebounding back to where it was before. Underwriting will not be looking at the drop from March to the end of July but will look at what is happening now and the beginning part of the academic year. For the 21-22 school year, whether that abatement will continue because of COVID or other situations is unknown. If universities switch to online only again, that would have an impact on usage.

UHCSR has seen a dramatic decrease in international students and, generally, those students have more favorable claims experience than domestic students. Some plans have experienced a drop in excess of 30% in international student numbers, largely Chinese students who are having difficulty getting back into the country and new visa applicants. There are many variables and UHCSR is trying to make the best guess based on the data available.

In response to Dale Burns inquiry about international student enrollment, Doug Ball stated that at PSU there has been a decline and the real difference is between new and returning students. PSU has been successful in retaining returning students but saw a significant drop in new student numbers but they are optimistic and are seeing signs of that turning around. Carol Solko-Oliff stated that it is the same at FHSU. When students went home in March, some could not return so they chose to complete coursework online. A few new students had come, primarily athletes, only to find that their seasons were postponed. FHSU is encouraging new students to engage online in the hopes that they will be able to attend in-person in the future. Diana Malott shared that typically at KU there are around 2,100-2,200 international students and right now there are 1,660.

Diana Malott stated that looking at the historical premiums, the KU subcommittee felt 9% was reasonable but, if that could be reduced, that would be very positive. Sheryl McKelvey responded that WSU would like to determine if a better rate was available but, if not, the 9% increase would be acceptable. Chelsea Dowell said the KSU subcommittee felt the 9% was reasonable, especially with premium information from previous years plus and the information about trends provided by MHEC. Matt Anderson shared that the KUMC subcommittee appreciated having the option of early renewal, as information about the plan can be provided sooner and that will also help the financial aid office. He also commented that having no change in benefits was positive.

Julene Miller asked whether there was concern about applying the 9% increase across the board to all Plan options or whether different amounts could be determined for the different Plan options as the current premium amounts are not the same and impact the voluntary enrollees (in Plan 1) more than others. Dale Burns stated that the 9% increase was on an aggregate basis and based on uncertain variables. Although it might be possible to apply different percent increases to differ Plan options, that may be confusing and would be counter to the centralized approach taken. Diana Malott stated that the across the board increase protects Plan 1, domestic undergraduates, a little because their utilization rate has been higher and that could mean that the incentivized premiums would be lower. Those participants have historically had the largest premiums because they have had the highest utilization, and the across the board increase protects that group.

Carol Solko-Oliff asked whether dependents are still included in the plan. Diana Malott stated that the KU subcommittee was fairly firm about keeping dependents on the plan. She noted that claims for dependents have been fluctuating over the years, which makes it difficult to make a decision about dependent coverage. Sheryl McKelvey asked how many dependents are enrolled in the plan? After the meeting Matt Brinson provided this response: in the 2018-2019 Plan Year, there were 368 dependents and for the 2019-2020 Plan Year there were 388.

Doug Ball stated there appeared to be a lot of interest in the early renewal, with an across the board increase, but interest in having the 9% rate of increase reviewed. When asked, no campus indicated leaning in a different direction.

At the SIAC's request, the 9% increase was quickly reviewed by UHCSR underwriting. The UHCSR underwriter was able to perform that review during the meeting and provided updated information, using current claims information and trending that forward. The underwriter confirmed that 9% is the right number at this point but would be willing to spend some more time to analyze it. If data had improved dramatically, that would have been reflected on the spreadsheet.

Doug Ball expressed appreciation for the quick review of the 9% and asked each campus to indicate whether they were supportive of the Commit to Renew Now ("Fixed Rate"): At an agreed upon increase of 9% to lock in the premium rates for the next academic year. SIAC members from each of the seven universities supported the Fixed Rate option and recommend that it be presented to the Council of Business Officers (COBO) next week. Assuming COBO agrees, the recommendation will then be presented to the Council of Presidents and, if approved there, on to the Board of Regents at their October 14, 2020, meeting.

Carol Solko-Olliff asked when information for PY 21-22 would be available. Dale Burns stated that UHCSR will submit a single case filing, out of the normal time frame, seeking early approval, and he anticipates that everything could be finalized by early January.

Future SIAC meetings

Future SIAC meetings tentatively scheduled for 12:30 (unless otherwise stated below):

- A. Wednesday, December 2, 2020
- B. Wednesday, February 3, 2021
- C. Wednesday, May 6, 2021
- D. Wednesday, September 1, 2021