

BOARD OF REGENTS
BRIEFING PAPER

1. Agenda Item Title: Student Health Insurance Fees Revisions
Meeting Date: June 11-12, 2015

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

Student Health Insurance: Each June, the Board approves the student health insurance rates for the upcoming academic year that are shown in Chapter 7, Section 10 of the *Procedures and Guidelines Manual*. System representatives and institution representatives worked with the System's insurance broker, Wells Fargo Insurance Services, to obtain the best insurance rates possible for the students at each institution.

New guidance was released this past winter from the department of Health and Human Services that modified certain criteria for student health insurance plans under the Patient Protection and Affordable Care Act (PPACA). The Affordable Care Act now requires carriers and issuers of student health insurance plans to set the rate based on the following criteria:

- 1) School-specific group community,
- 2) May not be based on the individual's age or tobacco use,
- 3) May not be higher based on the individual's gender.

The applicability of this law is that rates must be set into separate tiers of coverage (student-only, student-plus-spouse, children (etc.)), noting that the rate for individuals other than the student would be equal to the student's premium).

Additionally, new versions of the Actuarial Value (AV) tool were released this year that required minor plan changes to ensure all plans remain in compliance with the mandated tier levels. AV testing methodology was updated to more accurately reflect Student Health Center (SHC) arrangements; and further refining of the AV testing process.

UNR: No significant changes other than general rate decreases/increases.

UNLV: The goal for the 2015/2016 rate renewal was to obtain discounted rates associated with a Hard Waiver Mandatory (HWM) insurance program at the graduate level while not disenfranchising the small number of undergraduate students who are voluntarily participating in the student health insurance plan. The challenge the program faced was the impact that adverse risk selection had on premium costs. Specifically, the 139 students enrolled in the voluntary component of the plan had claims that range from 172% to 289% more than the premium they pay. This increased the expenses for the majority of UNLV students, 2,025, on the mandatory graduate student waiver plan whose claims fit industry norms at ~75% of premium.

Representatives from the Graduate and Professional Students Association (GPSA) and the Graduate College expressed interest in extending the HWM insurance requirement to undergraduate students. Applying the mandatory insurance requirement to undergraduate students would improve the insurance risk pool and allow UNLV to receive better rates. Representatives from the Consolidated Students of University of Nevada, Las Vegas (CSUN) indicated that CSUN voted against implementing a mandatory health insurance requirement for the 2015/16 academic year, but may explore this option further at a later date. UNLV graduate students had previously voted in April, 2014 to create a HWM in order to receive the lowest possible rates for graduate students and combining the pools would result in an inappropriate cross-subsidy between the two groups. Given this, the UNLV Student Health Insurance Advisory Committee (SHIC) instructed Wells-Fargo's Student Health Insurance Division to solicit quotes based on the utilization experience for the graduate student HWM program and a separate rate for the undergraduate voluntary program based on utilization experience.

NSC: Based on conversations with NSC's Executive Team and Wells Fargo Insurance Services, NSC will no longer participate in a sponsored student insurance program for its students. The exception to this will be for international students, which require insurance for visa purposes. Given that NSC currently has only one international student and that NSC will be mandating insurance (HWM) for all international students, Wells Fargo indicated that NSC international students could be included on the UNLV policy with no cost impact. Rates match UNLV's rates for international students. In addition, NSC offers separate coverage for both Spring and Summer sessions.

CSN: CSN's Executive Team states that all international students will continue to purchase mandatory health coverage through a third party entity designated by CSN. Proof of equivalent coverage will be accepted in limited circumstances. International students will pay their premium directly to the third party insurance broker/company versus paying CSN, as in the past.

Revised: June 2010

Summary: The rates proposed in the attached reference material represent Institution's recommendations for the best option for coverage for academic year 2015-16. The carriers recommended are Aetna for UNLV/NSC and United Health Care for UNR. Wells Fargo Insurance Services is the broker. These final recommendations have been reviewed by insurance committees (which include student representation) at each institution.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

The Board is being asked to approve:

1. The student health insurance rates for academic year 2015-16 as presented on the attached reference material for UNR, UNLV, and NSC.
2. A codification correction mandating UNLV law students taking a minimum of 12 credits per semester purchase insurance coverage or provide proof of equivalent coverage, as approved at the June, 2014 BoR meeting.
3. The discontinuation of NSC's participation in UNLV's voluntary student health insurance plan.
4. The removal of CSN's international student health insurance rates.

4. IMPETUS (WHY NOW?):

Current student health insurance policies expire at the end of this academic year.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- The rates for student health insurance plans identified here represent the best option available through an analysis of all options and a competitive quotation process.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

N/A

7. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

- Discontinue offering plans or direct staff to bring different options.

8. COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title #____ Chapter #____ Section #____
- Amends Current Board Policy: Title #__ Chapter #__ Section #__
- Amends Current Procedures & Guidelines Manual: Chapter #_7_ Section #_10G_
- Other:_____
- Fiscal Impact: Yes__X__ No____
Explain: Student health insurance and health center fees that meet the reporting threshold of \$25,000 will be reported in the Self Supporting Budget report.

PROPOSED REVISIONS – PROCEDURES & GUIDELINES MANUAL
CHAPTER 7, SECTION 10
Student Health Insurance Fees

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 10. Student Fees

G. HEALTH SERVICE/INSURANCE FEES

UNR

	Graduate	Undergraduate	International
<u>Health Service Fee:</u> Per semester (MANDATORY ^[1] for students with six or more credits, VOLUNTARY for students with fewer than six credits & summer school students)	\$93	\$93	\$93

Student Health and Accident Insurance:

VOLUNTARY (All domestic undergraduate students enrolled in nine credits **or more.**)

Annual		[\$2,589]	
		\$2,502.22	
Fall		[\$1,107]	
		\$1,045.56	
Spring		[\$994]	
		\$943.33	
Spring/Summer		[\$1,533]	
		\$1,456.67	
Summer		[\$542]	
		\$512.22	

Student Health and Accident Insurance:

MANDATORY¹ (All International Students and Graduate & Professional Students taking six credits or more per semester.)

Annual	[\$2,550]		[\$1,186]
	\$2,760		\$1306.67
Fall	[\$1,164]		[\$507]
	\$1,153.33		\$546.67
Spring	[\$1,011]		[\$454]
	\$1,041.11		\$492.22
Spring/Summer	[\$1,490]		[\$702]
	\$1,606.67		\$760.00
Summer	[\$479]		[\$249]
	\$565.56		\$267.78

SCHOOL OF MEDICINE

Annual fee for life and disability insurance	\$77.44
Student Health Insurance (MANDATORY ¹)	
Fall	[\$1,410]
	\$1,380
Spring/Summer	[\$1,388]
	\$1,380
Summer	[\$468]
	\$460

UNLV [& NSC]

	Graduate	Undergraduate	International
Health Service Fee – Fall & Spring (MANDATORY ¹ for UNLV students)	\$72	\$72	\$72
Summer School	\$37	\$37	\$37

Student Health and Accident Insurance
VOLUNTARY (All domestic undergraduate students. Available to students enrolled in six or more credits.)

Annual	[\$2,341]	\$4,778.48	
Fall	[\$1,019]	\$1,945.10	
Spring	[\$848]	\$1,632.40	
Spring/Summer	[\$1,477]	\$2,833.38	
Summer	[\$630]	\$1,200.98	
Fall-Nursing	[\$909]	\$1,736.28	
Spring-Nursing	[\$862]	\$1,657.84	
Summer-Nursing	[\$725]	\$1,384.36	

Student Health and Accident Insurance,
(MANDATORY¹ for International Students;
Law Students taking a minimum of twelve credits per semester; Graduate & Professional Students taking a minimum of nine credits per semester; six credits if a graduate assistant) OPTIONAL for Graduate Students not on Assistantships

Annual	[\$2,206]		[\$2,206]
	\$2,246.14		\$2,246.14
Fall	[\$901]		[\$901]
	\$914.78		\$914.78
[Spring]			
Spring/Summer	[\$1,305]		[\$1,305]
	\$1,331.36		\$1,331.36
Fall-Nursing	[\$859]		
	\$871.32		
Spring/Summer-Nursing	[\$1,347]		
	\$1,374.82		

DENTAL SCHOOL

Health Insurance (MANDATORY ¹)	
Annual	[\$2,253]
	\$2,295
Spring/Summer	[\$1,117]
	\$1,486

NSC

	Graduate	Undergraduate	International
Student Health and Accident Insurance for International Students ONLY, MANDATORY¹			
Annual			\$2,246.14
Fall			\$914.78
Spring			\$767.44
Spring/Summer			\$1,331.36
Summer			\$564.98

NOTES:

CSN

	Graduate	Undergraduate	International
Student Health and Accident Insurance, MANDATORY¹ for International Students.			
 Annual			[\$1,566]
 Fall			[\$783]
 Spring/Summer			[\$783]
 Summer			[\$395]

NOTES:

- CSN (**domestic**), GBC, TMCC, WNC students have available health services on a voluntary basis through a third party entity. These institutions facilitate the availability of student health services; however, students who contract for these services pay the third party entity directly.
- **CSN International Students purchase mandatory health coverage through a third party entity designated by CSN. Proof of equivalent coverage will be accepted on a limited basis. No fees are paid to CSN.**
- Amounts represent total charges and include insurance premium, ACA taxes and fees, broker commission and fees, and institution fees.
- Some NSHE Allied Health and Nursing programs require students provide evidence of coverage. The coverages indicated above may be used to satisfy this programmatic requirement.

(B/R 4/92, 5/93, 3/94, 2/95, 6/95, 4/96, 4/97, 9/97, 5/98, 4/99, 6/99, 4/00, 3/02, 3/03, 8/03, 1/04, 3/04, 2/05; Added 6/05; A. 8/05, 1/06, 4/06, 7/06, 2/07, 7/07, 12/07, 6/08, 2/09, 4/09, 6/09, 12/09, 4/10, 6/10, 12/10, 4/11, 6/11, 12/11, 6/12, 9/12, 11/12, 6/13, 9/13, 12/13, 3/14, 6/14, 12/14)

¹ Mandatory Coverage definition: when coverage is indicated as mandatory, the student must purchase the coverage or provide proof of equivalent coverage.