

KANSAS BOARD OF REGENTS
Student Insurance Advisory Committee
MINUTES
September 7, 2011

The September 7, 2011, meeting of the Student Insurance Advisory Committee (SIAC) was called to order at 12:30 p.m. The meeting was held in Board offices at the Curtis State Office Building, 1000 S.W. Jackson, Topeka, and some members participated via telephone conference call.

Members Present:

John Patterson (COBO, chair)
Diana Malott, KU
Mary McDaniel, ESU
Jake Rapp, KU student
Madi Vannaman, KBOR
Sheryl McKelvey, WSU

Members Participating by Telephone or video conference:

Cathy Lee Arcuino, PSU
Clinton Herrmann, FHSU student
Carol Solko-Olliff, FHSU
Lannie Zweimiller, KSU

Also in attendance were Rob Trembath, MHEC; Liz Marks, Mercer; Matt Brinson, UHC-SR; Ben Coats, Peoples Benefit Group (PBG); Mary Karten, KU, and Julene Miller, KBOR General Counsel. Also participating by phone or video conference were Karla Farmer, Fort Scott Community College and Carter File and Randy Myers, Hutchinson Community College.

Minutes

The May 4, 2011, minutes were approved.

Various Topics –

New Members were introduced: COBO chair – John Patterson, PSU; Sheryl McKelvey, WSU; and two new student members, Clinton Herrmann, FHSU, and Jake Rapp, KU.

PBG Review of SR Reports

Ben Coates provided an overview of the PBG reports for the KBOR student insurance plan. The reports reflect the following information:

1. *Enrollment Figures*

- a. The latest enrollment figures reflect a decrease in total enrollment of 794 or 13.0% John Patterson asked whether the decrease was a trend nationwide or KBOR plan specific. Ben Coates responded that students are staying on their parents' plans longer and Matt Brinson stated that historically, coming off recessionary periods, enrollment drops.
- b. Of the 5,253 students enrolled, international enrollment totaled 1,940, or 15%.
- c. The 3-year enrollment comparison report showed numbers of students enrolled in both plans for the past three years. Diana Malott had questions about the enrollment numbers and Ben Coates will work with Matt Brinson to get correct numbers as Ben Coates indicated that some students may have been counted more than once.

2. *Premiums processed and claims paid*

- a. Premiums Processed vs. Claims – For the period 8/1/10 to 08/08/11, there were \$6,680,498 million in premiums processed and \$4,032,366 in claims paid -- approximately 60.36% of total premiums processed.
- b. Claims identified as “international claims” amount to \$330,170 or 8.19% of claims paid. Ben Coates explained there was a \$44,000 discrepancy on the Emporia State University international claims over \$3,000. The international student had been included in the domestic category during Fall 2010, when the

claim was incurred, and the record was changed to international for spring 2011. As the customized international report uses a summary table that is appended with new data only, this student's claims for Fall 2010 will always be included in the domestics numbers.

c. Premium comparison show a decrease from the 8/09 – 7/10 period with \$6,764,158 in premium received to the 8/10-7/11 period with \$6,680,497 in premiums received (a decrease of \$83,661 or 1.24%).

d. Claims comparisons show an increase from the 8/09-08/10 period with \$3,939,124 in claims paid to the 8/10-08/11 period with \$4,032,366 in claims paid (an increase of \$93,242 or 2.37%). The three-year claims vs. premium comparison showed claims percentages of 59% for 2008, 68% for 2009 and 60% for 2010 through 8/8/11.

3. *Claims over \$3000*

a. Total amount of claims for the period 8/1/10 to 8/8/11 are \$4,032,366 with claims over \$3000 totaling \$2,279,440 or 57% of total claims.

b. Claims over \$3000 comparison from 8/1/09-8/13/10 and 8/1/10-8/12/11 showed an increase from \$2,009,493 to \$2,279,440, an increase of \$269,947 or 13%.

c. Those claims over \$3,000, which can be identified as “international claims,” amount to \$254,525 or 11%.

d. Comparing 08/1/09 – 8/13/10 to 08/1/10-8/12/11, claims over \$3000 increased from \$2,009,493 to \$2,279,440, an increase of \$269,947 or 13%.

e. Claims for services that started in prior plan years will be included in the current plan year if the charges in the current plan year exceed \$3,000.

4. *Administrative Fees Paid*

For Plan Year 10-11, the 1.5% administrative fee UHC-SR paid to KBOR through July 2011 was \$98,019.

5. *Performance Results – Claim Payment and Customer Service*

The report reflects that SR continues to perform these tasks at a very high rate. 99.91% of claims were paid within 30 days, with 99.80% financial accuracy and 96.20% procedural accuracy. (The number of claims received from March to May 2011, processed from April through June 2011 was 3,583.)

For Customer Service, 94% of calls were answered within 30 seconds and the abandonment rate was 0.65%. Calls for the time period 4/11 – 6/11 were 2,210; and for 4/10 – 6/10 were 2,318. All of those figures exceeded the target rate.

6. *Consolidated Utilization Report*

The top 6 charge and 4 cause codes for KBOR and for UHC-SR's book of business were provided.

MHEC Presentation

Rob Trembath, MHEC, provided an overview of MHEC and its student health benefits advisory committee's development of the MHECare program. He then introduced Liz Marks from Mercer, the administrator for MHECare.

Liz Marks provided information about the advantages of MHECare:

1. Financial – if the current 75% target loss ratio is increased to 76% that would allow more premium dollars to pay claims; contingency management cost sharing would provide up to a 5% return if the loss ratio is less than the target with 50% of the differential returned to the plan sponsor as well as the possibility for providing stable rates over time.

2. Administrative - due diligence has been completed by the MHEC student health insurance advisory committee through their RFP process and selection of UHC-SR as the vendor for MHECare which has a flexible plan design (with a high or low PPO, utilization of the current KBOR plan or a combination thereof), as well as a smooth transition with KBOR's current vendor, UHC-SR.
3. MHEC oversight – will provide accurate and timely delivery of service as well as program administrator assistance.

Ms. Marks provided benefit design information comparing the current KBOR plan with MHECare's low PPO option and stated that, as a comparison, KBOR current annual premium of \$1,081 would be reduced under MHECare to \$1,070, based on the 1% increase in the target loss ratio, if approved by UHC-SR's underwriters. Ms. Marks also stated that additional guidance is expected in September regarding health care reform and student insurance plans.

Matt Brinson stated that administrative processes would not change if KBOR elected MHECare, that provisions such as the -03 continuation provisions and the special monthly rate for visiting scholars would continue and that the current, individual dental and vision plan options would be available. Ms. Marks stated that dental and vision plans are not currently available as part of the MHECare plan but would be available through UHC-SR as they are currently, and may be options to build into the MHECare plan in future years.

Before the December 7, 2011 SIAC meeting, each university's student insurance subcommittee will review and discuss the MHECare low and high plan option plans, as well as the current KBOR plan, to determine what direction is desired for PY 12-13.

Other Items

The Board of Regents will be changing how its agenda materials will be distributed and that process will be utilized for the SIAC agenda materials. All of the materials will be put in pdf form and posted on the KBOR website. A link to the information will be provided to Committee members prior to the meeting, and Committee members are invited to either bring a laptop with them to the meeting or print any of the information for the meeting.

Next SIAC meetings

The next SIAC meetings are scheduled at **12:30** in the Board Conference Room of the Kansas Board of Regents Office on

- i. Wednesday, December 7, 2011
- ii. Wednesday, February 1, 2012