

KANSAS BOARD OF REGENTS
Student Insurance Advisory Committee
MINUTES
February 3, 2010

The February 3, 2010, 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:

Ed Phillips (COBO, chair)
Diana Malott, KU
Lisa Shryock, KUMC
Marilyn Yourdon, WSU
Madi Vannaman, KBOR
Lannie Zweimiller, KSU

Members Participating by Telephone:

Chuck Olcese, PSU
Carol Solko-Olliff, FHSU

Also in attendance were Matt Brinson and Dale Burns, UHC-SR; Ben Coates, Peoples Benefit Group (PBG); Elvia Brown, KUMC; and Julene Miller, KBOR General Counsel. Also participating on the phone were Mary Karten, KU; Sheryl McKelvey, WSU; and Rhonda McDonald substituting for Mary McDaniel, ESU. Student representatives Rachel Cunningham, KSU, and Andrea Cole, PSU, were unavailable.

Minutes

The December 2, 2009, minutes were approved.

Various Topics –

1. *On-line students – survey results*

The SIAC discussed the survey results and information provided by Matt Brinson that indicated “to change the Domestic Undergraduate eligibility requirement from 6 credit hours on campus to at least 3 hours on campus and 3 hours or more online = +3% to Domestic Undergraduate rates.”

Lannie Zweimiller asked how the rates were determined and Matt Brinson stated they were based on access to the health center. There was acknowledgment that on-line enrollment will continue to increase and a determination will need to be made about how to address this in the future.

Diana Malott recently learned that at KU, if someone has 3 classroom hours and 3 on-line hours, from the registrar’s perspective that student will look like she is taking 6 hours, so there is no differentiation now. Thus, it could become difficult to administer if students were to be differentiated based on enrollment.

Dale Burns stated that at the University of Alaska – Fairbanks they identify the distance learning students in a separate group of insured with a higher premium because of limited access to the health centers. Those students were initially charged 150% of the regular student premium, which later was dropped to 120%. There have been very dramatic fluctuations in enrollment, but UHC-SR was able to capture claims experience so there was no premium subsidy from the other students.

The SIAC decided to table the issue for now and potentially review it again when the new RFP is developed.

2. *Possible federal legislative changes*

A. *J-1 students and scholars*

The proposed federal regulation changes proposed by the Department of State would modify the insurance requirements raising the maximum benefit per injury or sickness to \$200,000 with repatriation of \$25,000 and medical evacuation of \$50,000 for J-1 visa holders.

UHC-SR's PY 10-11 renewal proposal indicated that "to increase the International, J-1 and F-1 students' plan maximum from \$100,000 to \$200,000 for each Injury or Sickness [would result in a +5% increase] to International/J-1 and F-1 Student rates."

Discussion ensued about the proposed mandate and how history has shown that after a period of discussion the mandates are generally finalized and that sufficient time is provided to get a plan into compliance, generally 18-24 months.

UHC-SR will provide rates for various options, as displayed in the grid below:

International Rating Grid - Increase max benefit from \$100,000 to \$200,000 per injury/illness

Group	Group Included in the Plan (1)	Rider (2)
All International Students		
F1 Only		
J1 Only		
All enrollees 01 plan (non-GTA/GRA)		
All enrollees 03 plan (GTA/GRA)		
All enrollees 01 and 03 plans		

(1) mandatory for group listed

(2) voluntary for group listed

A conference call is scheduled for 12:30 on February 17, 2010, for the SIAC to discuss the revised renewal info.

B. Health care reform impact on student insurance

UHC-SR's PY 10-11 renewal proposal stated that due to the changing circumstances of health care reform, Matt Brinson will be prepared to discuss the most up to date status. Matt Brinson indicated that this is an ongoing, moving target that appears to be in disarray right now and that he will keep the SIAC informed with updates as they affect the KBOR plan.

C. Other plan additions

Matt Brinson provided information in response to the WSU sub-committee's inquiry about removing club sports from the exclusion list, stating that would add 1% to the rates. Intramurals are currently covered but not club sports because it was believed that such club sports are generally included in other university coverage. Ed Phillips suggested each campus should look at their own university's offerings to determine what coverage, if any, is currently provided or should be provided under the KBOR plan.

Marilyn Yourdon also inquired about including meningitis vaccinations, and Matt Brinson indicated that would result in a 3.5% rate increase. That increase was based on 12,000 estimated incoming students who would be required to get the shot. Carol Solko-Olliff stated that at FHSU most of those students would still be covered under their parents' coverage and would not be covered under the KBOR plan. Diana Malott stated that KU provided a few hundred vaccines this year, as most in-coming students had already received it. Ed Phillips asked that each campus provide to Matt Brinson, by the end of the week, the number of new

students as of Fall 2009, who live in university housing, who received the vaccine from the university health clinic.

3. *UHC network – missing providers*

Matt Brinson had emailed a request for names of physicians, facilities and clinics etc., which were utilized by students and currently not in the network. Chuck Olcese provided the name of an ER group that is out of network. Matt Brinson requested that the other campuses share this type of information when it is known so that UHC-SR can approach the provider about joining the network.

4. *Comparison with other student health plans*

Ben Coates reviewed information about student plans he compared against the KBOR plan and noted that the information for USI Affinity is generic as he is waiting on a more detailed schedule of benefits. Washburn and KBOR are true group plans while the ISO plans are individual plans with pre-existing conditions and limited benefits. Although the ISO plans have a higher benefit per loss, the coverage for hospital, surgery and other benefits is very limited. Ed Phillips noted that the critical issue is the hospital rate, as evidenced over the course of time with the KBOR plan, and that the details provide the true benefit of the plan.

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. Enrollment figures were reviewed (Aug to Jan for the past 3 year period):
 8/07 – 1/08 6,599 8/08 – 1/09 7,058 8/09 – 1/10 7,138

For the last two periods, there is an increase of 80 enrollees or 1%. Only three campuses showed an increase (ESU, 12; KSU, 310 and KU 79). All other campuses showed a decrease (FHSU -28; WSU -128; KUMC – 62 and PSU – 103).

- b. International enrollment totaled 2,909 or 41% of the total enrollment.

2. *Premiums processed and claims paid*

- a. Premiums Processed vs. Claims – For the period 8/1/09 to 1/8/10, there were \$3,968,500 million in premiums processed and \$1,037,531 in claims paid representing roughly 26% of total premiums processed.
- b. Of the claims paid, those claims which can be identified as “international claims” amount to \$79,275 or 7.6% of claims paid.
- c. Claims comparisons show an increase from the 8/1/08-1/8/09 period where claims paid were \$749,667, to the 8/1/09-1/8/10 period where claims paid were \$1,037,531 (an increase of \$287,864 or 38.40%).

	8/07 – 1/10/08	8/08 – 1/07/09	8/09 – 1/14/10
Premiums	\$3,824,233	\$4,024,949	\$3,968,500
	Increase	5.25%	-1.40%

	8/08 - 1/8/09	8/0 – 1/8/10	\$ Increase	% Increase
Claims	\$749,667	\$1,037,531	\$287,864	38.40%

3. *Claims over \$3000*

- a. Total amount of claims for PY 09-10 to date are \$1,037,531 with claims over \$3000 totaling \$323,018 or approximately 31% of total claims.
- b. Comparing 08/08-1/9/09 to 08/09-1/8/10, claims over \$3000 increased from \$242,927 to \$323,018 (or a total of \$80,091 or 33%).
- c. 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 09-10, the 1.5% administrative fee UHC-SR paid to KBOR through December 2009 was \$60,561; since inception \$260,720.

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

The report reflects that SR continues to perform these tasks at a very high rate. 99.84% of claims were paid within 30 days, with 99.23% financial accuracy and 94.50% procedural accuracy. (The number of claims received from September 09 to November 09 and processed from October to December 09 was 2,527.)

For Customer Service, 92% of calls were answered within 30 seconds and the abandonment rate was 0.55%. Calls for the time period 9/09 – 12/09 were 1,893; for 7/08 – 9/08 were 2,220. All of those figures exceeded the target rate.

6. *Consolidated Utilization Report*

The top 6 charge and 4 cause codes for KBOR compared to UHC-SR's entire book of business were provided as well as a separate report for those students UHC-SR can identify as international students.

PY 2010-2011 Renewal

The SIAC discussed the renewal proposal and noted the following:

1. -01 rate sheet notes "Internationals/visiting faculty and scholars rates are illustrative only and based on 2009 admin fees and period breakout." Dale Burns indicated that if the administration fee changes, this premium rate would also change.
2. -01 rate sheet provides the monthly rate for international/visiting faculty and scholars but the premiums are not consistent in that the annual spouse rate equals the annual rate for basic spouse coverage, but premiums for the other two categories (student and all children) do not. Matt Brinson will have those rates reviewed.
3. Dale Burns indicated that the largest factor for the proposed 9.6% rate increase was that claims are up 38% for this time period over last year the same time period, which is a large increase. The proposal also incorporates the medical trend, which is between 11-15%.

Ben Coates stated that in PY 07-08, premiums were \$6.1 million and claims were \$3.4 million (or 55% claims to premiums ratio). And, in PY 08-09, premiums were \$6.8 million and claims were \$4 million (or 59% claims to premiums ratio). Although it's early for PY 09-10, premiums are \$2.9 million and claims are \$1 million (or 34% claims to premiums ratio). Ben Coates noted that Washburn had been running closer to 80-85% and they received a premium reduction for their renewal.

Dale Burns stated that the target is roughly 70% claims paid. UHC-SR has had favorable experience with the KBOR plan and rates have been flat for basically three years. Right now claims are running 38% higher

than last year this time. As such, UHC-SR does not want to get into a situation where a 30% increase will be needed to try and recoup some of the losses; the goal is to rate the program properly.

Diana Malott asked whether there were unusual claims that have been causing the increase and Dale Burns replied that the trend, impacted by the H1N1 situation, resulted in a pretty substantial increase in claims but that has slowed down dramatically.

Matt Brinson noted that the proposal was based on December end data, and they will look at January end data to see what impact there has been to the claims trend. UHC-SR will provide a revised renewal proposal by February 12th, assuming that all campuses provide the meningitis vaccine info by February 5th.

Diana Malott indicated it would be very helpful, from a marketing perspective, if the annual premium could be less than \$1,000. Carol Solko-Olliff stated that with inevitable tuition increases, it would be helpful to keep the premiums below \$1,000 as it would help make the plan more appealing, especially for international students.

Other Items

1. The SIAC discussed the **KBOR contract with UHC-SR** which runs from 8/1/07 to 7/31/10. The contract can be extended for two additional one year periods. The Board of Regents approved the extension through 7/31/11; one more extension can be requested through 7/31/12.

By a voice vote, the SIAC was unanimous in recommending that the additional one year extension be approved. Ed Phillips will report the SIAC's recommendation to COBO.

2. The SIAC discussed the **KBOR contract with Peoples Benefit Group** which runs from 8/1/07 to 6/30/10, with one additional optional three year renewal period. The contract stipulates the renewal prices for any contract extension will not exceed 10% of the current rate. Ben Coates stated that PBG would agree to no rate increase for the contract extension.

By a voice vote, the SIAC was unanimous in recommending that the additional three year renewal option with PBG be approved, with the understanding that KBOR could terminate the contract earlier, if desired. Ed Phillips will report the SIAC's recommendation to COBO.

3. Lisa Shryock asked about the **GTA/GRA renewal information**. In prior semesters, the renewal information included a "green slip" stating that the renewal was to be processed with the campus and not mailed directly to UHC-SR. For the spring 2010 renewal, no green slip was added and students mailed the payments directly to UHC-SR.

Matt Brinson acknowledged that Mary Karten, KU, had previously discussed the "green slip" with UHC-SR and the desire to use the university contact address on the form, or to not have an address provided at all. The compliance area currently is reviewing whether the university's contact address can be placed on the form.

Lisa Shryock inquired whether the university contact could receive information when a GTA/GRA's payment (check or credit card) was denied and the student is informed he/she does not have insurance coverage. Matt Brinson indicated that Mary Karten, KU, had previously made a similar request and that the compliance area currently is reviewing what options there may be to inform the university contact without violating any laws, including FERPA.

4. Lannie Zweimiller relayed a request from the KSU graduate office about **separate riders for dental and vision coverage** since there is no coverage in the KBOR plan. Matt Brinson will provide additional information.

5. Several **SIAC members** will have their **membership expire** as of June 30, 2010. Two have agreed to be re-nominated (Lisa Shryock, KUMC, and Mary McDaniel, ESU). Two others have communicated their desire that others on their campuses have the opportunity to serve on the SIAC (Marilyn Yourdon, WSU, and Chuck Olcese, PSU). Once the names of the nominees have been provided by each affected campus, they will be presented to COBO for approval. [After the meeting, the following information was shared: WSU stated they preferred that Marilyn Yourdon be nominated to serve another term, and PSU nominated Cathy Lee Arcuino, PSU, Associate Director in International Programs and Sciences.]

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. Conference call: Wednesday, February 17, 2010 at 12:30 on 2/17, to review UHC-SR's revised proposal for PY 10-11.
- ii. Wednesday, May 5, 2010.
- iii. Wednesday, September 1, 2010.