

**KANSAS BOARD OF REGENTS**  
**Student Insurance Advisory Committee**  
MINUTES  
September 7, 2016

The September 7, 2016, meeting of the Student Insurance Advisory Committee (SIAC) was called to order at 12:30 p.m.

*Members in Attendance:*

John Patterson, COBO (Chair)  
Diana Malott, KU  
Madi Vannaman, KBOR

Karen Kirk, PSU  
Mary McDaniel, ESU

*Members Participating by Telephone:*

Jim Parker, KSU  
Valerie Noack, KUMC

Sheryl McKelvey, WSU  
Carol Solko-Oliff, FHSU

Also present at the meeting were Dale Burns, UHC-SR; Jennifer Dahlquist, MHEC; Liz Marks and Lesley Gagnon, Mercer; Rita Girth, PSU; and Theresa Schwartz, KBOR. Participating by phone were Matt Brinson, UHC-SR; Mary Karten, KU; and Amanda McDiffett, KSU. KU student members Kamen Kossow and Abdoulie Njai were unable to attend.

**Minutes**

The minutes from the May 4, 2016 meeting were approved with one amendment: remove “medical support staff.”

**Mercer Utilization Report –**

Liz Marks provided an overview of the report for the 2015-2016 plan year through July 31, 2016.

Diana Malott asked if peers are starting to adjust benefits after ACA requirements have been implemented in past years. Dale Burns responded that increased utilization and increased benefits are driving groups to reconsider benefit plan design changes. Liz Marks stated that the ‘metal values’ will be removed and that a 60% actuarial value will be required in the future, just like employer health plans, and will provide flexibility. If the premium increase is in the low single digits, or represents trend only, everyone understands that health care costs are going up and those changes can be passed on. Otherwise, more aggressive plan design changes should be looked at.

Information on page 13 of the Mercer report will be corrected as the “Total Medical + Rx Claims” and data for FHSU and KSU need to be updated.

John Patterson asked what happens to any differential between premium paid and expenses. Dale Burns responded that the target loss ratio is around 80%. The loss ratio that has been experienced by the KBOR student plan is unique and the claims experience in the Midwest (OH, MN, KS) has not been going up as quickly as it has on the coasts. UHC-SR has been trying to drop the rate, but not too much, so that there is not a significant rate increase. The plan is fully insured, so if the loss ratio is under 80%, those funds go to UHC-SR, although some of the difference is made up of ACA fees and state taxes.

Dale Burns will be providing information for each of the student groups over the last three years for enrollment and claims cost per insured.

**UHC-SR 2017-2018 renewal information**

Dale Burns requested that the SIAC consider a change to the time-line process for the renewal information for the next plan year. Although the student plan is an individual product, it has many characteristics of a group product and yet is subject to mandates and regulations applicable in Kansas under the individual plan laws. The single case filing has been an educational process for UHC-SR and the Kansas Insurance Department (KID) which has resulted in delays in securing KID approval and in the provision of brochures and information for the new plan year.

UHC-SR has decided to process a significant number of renewals prior to December 15<sup>th</sup>. Historically the KBOR student plan has run well and has been stable. Early indications are that there will be a trend increase, which is reasonable compared to the 30% increases in the exchanges.

Liz Marks stated that the student plan participant composition shows that 3Gs represent approximately 36% of the group, international enrollment represents approximately 50%, with the domestic student group representing approximately 14%. If anything happens to any of these groups, then that could potentially negatively impact the renewal rates provided for AY 17-18.

The SIAC agreed to receiving the renewal information earlier. Dale Burns then asked whether a separate quote for each group would be desirable. If graduate students are no longer eligible to receive a premium subsidy, it will create a different dynamic. Whenever a subsidy is provided, it acts like a hard waiver resulting in increased enrollment in the plan. When the subsidy is eliminated, participation goes down dramatically.

The SIAC requested that the renewal quotes be provided as the plan now is (with domestic, graduate student and international plans), as well as international and domestic plan options (blended and separate plans).

Rita Girth asked why the claims experience of international students is trending better than that of domestic students. Dale Burns responded that there are two factors. International students are not using services as much but, more importantly, because health insurance coverage is mandated, many are enrolled in the KBOR student plan. Thus, the enrollment method is driving lower claims costs as the international pool is comprised of both health and not healthy students, whereas the domestic students are voluntary enrollments and those who need the coverage enroll.

### **Good of the Order**

1. Carol Solko-Olliff – submitted roster for international students' insurance and experiencing long waits before students can print their cards. Is there a reason for the delays? Matt Brinson will follow-up with her on this topic. [After the meeting, Matt Brinson reported he reached out to Carol and Marnie Kohl and it was discovered that Marnie had received an email from the UHC-SR Eligibility Department on September 2<sup>nd</sup> that the list had been processed.]
2. Jennifer Dahlquist – MHEC established the student health collective back in 2010 and selected Mercer to be a program administrator through a competitive RFP process. MHEC's contract with Mercer will end in May 2017. The administrative fee for KBOR was reduced, because KBOR was an inaugural member of the student health insurance collective. KBOR was charged a 1% administrative fee of which .75% went to Mercer and .25% went to MHEC. Going forward KBOR's administrative fee to MHEC will be .50%.
  - a. UHC-SR will provide the same services previously provided by Mercer including providing the claims and experience reports for the SIAC meetings and reviewing plans submitted by the Universities for waiver criteria (in conjunction with designated SIAC members Diana Malott and Mary McDaniel providing oversight).

- b. Dale Burns stated that these additional services will not require additional fees to be paid to UHC-SR. Staff in underwriting have been tasked to provide customized reports for clients and create an automated underwriting process.

**Future SIAC meetings**

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

1. Wednesday, December 7, 2016
2. Wednesday, February 1, 2017
3. Wednesday, May 3, 2017