

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

The December 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)
Sheryl McKelvey, WSU

Diana Malott, KU
Madi Vannaman, KBOR

Members Participating by Telephone:

Karen Kirk, PSU
Valerie Noack, KUMC

Mary McDaniel, ESU

Also present at the meeting were Dale Burns, UHC-SR; Jennifer Dahlquist, MHEC; Lesley Gagnon, Mercer; and Theresa Schwartz, KBOR.

Participating by phone were Sharon Maike, KSU; Lynn Adams, FHSU; Liz Marks, Mercer; Matt Brinson, UHC-SR; Mary Karten, KU; and Amanda McDiffett, KSU. Carol Solko-Olliff, FHSU; Jim Parker, KSU and KU student members Kamen Kossow and Abdoulie Njai were unable to attend.

Minutes

The minutes from the September 7, 2016 meeting were approved.

Mercer Utilization Report –

Liz Marks provided an overview of the report for the 2015-2016 plan year through October 31, 2016. The national trends are 7% for medical and 9% for pharmacy. Dale Burns indicated that student trends are comparable to commercial trends, but the KBOR student plan trend is significantly less than trends elsewhere. The gatekeeper function performed by the student health centers has a positive impact, and the health centers costs are not increasing as fast as the outside markets.

Questions were raised about the large claims, over \$100,000, summary and whether it reflected only new claims in the quarter or for the entire plan year as some of the information was also reflected in the last plan year's information. UHC and Mercer will revisit the large claims from Plan Years 14-15 and 15-16 to ensure the information is correct, as well as information to date. Matt Brinson will provide information based on student, spouse and dependent status.

Questions were raised about the prescription drug information as some drugs appeared to be listed multiple times. Matt Brinson will provide additional information to clarify whether the additional listings were for a separate diagnosis or dosage.

The Student Health Center Paid claims by type of service report was not provided and will be provided in future reports.

The Historical Experience by Insured Category and Insured Type report was discussed. Dale Burns explained that the experience provided reflects information by group (student, spouse and child(ren)). The student group had the lowest loss ratio and the trend is that the number of insured spouses and children is increasing dramatically, most likely because of the ACA requirement that the premium for a spouse or child not be greater than a standardized multiple of the premium for a student. Claims costs for spouses and

dependents are dramatically higher than students with the effect that students are subsidizing dependent coverage.

In the future, the SIAC can decide whether to look at the possibility of providing student only coverage, with no coverage for dependents after determining what, if anything, will happen with the ACA's benefits benefit coverage requirements and any future transitional rules and coverage mandates. There's a possibility that different plans could be offered to different groups, such as offering a plan for dependents with lower benefits than required by an ACA plan.

Dale Burns indicated UHC will provide a report, in response to a request from Sheryl McKelvey, of enrollment by group in the separate plans (domestic, international and 3G plan).

UHC-SR 2017-2018 renewal information

Liz Marks reviewed renewal information noting that the Plan Year 16-17 final renewal reflected a premium reduction of -1.44% with a few small plan changes to remain in the Gold metallic tier.

Diana Malott asked with the elimination of the metallic, would there be a premium increase associated with putting the pharmacy coinsurance for Tier 2 in-network benefit back to 30% (vs 40%)? None of the other universities indicated that students were asking about that provision. Dale Burns volunteered to have underwriting review this but, lacking direction from the SIAC, the provision will be left as is.

Liz Marks and Dale Burns explained the pooling charge and how UHC's methodology benefits the KBOR student plan as large claims are pulled out of the calculation before the trend is calculated. The result is that UHC is not charging an up-front fee for large claims. UHC's underwriter looks at claims costs at the system level and how best to determine premiums that are adequate to pay claims.

UHC used a blended trend of 9% for medical, drug and student health centers which is in-line with other insurers in the marketplace. There is a challenge associated with such an early renewal proposal as it must look ahead two years (to 7/31/18) so the annual trend is applied over those two years or 18%.

The plan's target loss ratio improved to 77.95% from the prior year of 74.99% which had a favorable impact on the renewal. PPACA fees/taxes were reduced by about half due to sunset of the transitional reinsurance fee.

Coverage for gender dysphoria and re-assignment surgery was added as required under federal government anti-discrimination guidelines for any institution that receives governmental funding.

Sheryl McKelvey asked, for future reference, what plan changes could be looked at that have the greatest impact on premium increases and Dale Burns responded that the most obvious items would be deductibles and coinsurances, as well as any ability to place caps on or remove benefits, to address high utilization or over usage, but leaving the basic plan structure the same.

Liz Marks asked if the pharmacy had an open formulary or whether it changed every year. Dale Burns responded that the plan's formulary changes automatically every six months which is consistent with the UHC formularies and that he can provide additional information to help determine if there are options to the standard approach for target controls. Diana Malott also asked Matt Brinson to follow up with information about the two PBMs with which KU is struggling.

Liz Marks stated that the initial renewal rate of 6.32% and after additional conversations, UHC's underwriting agreed to another 1.15% reduction to the rate. Dale Burns stated that UHC has a long-term relationship with KBOR and wants to offer competitive rates to the students.

A motion to recommend the 5.17% premium increase for plan year 17-18 was made by Diana Malott, seconded by Sheryl McKelvey and unanimously approved. As SIAC members from KSU (Jim Parker) and FHSU (Carol Solko-Olliff) were not present, votes for those universities were not taken.

Good of the Order

1. Diana Malott asked whether the 60-day window was removed to allow 3Gs to enroll in summer coverage earlier in the spring semester. Matt Brinson will double-check and provide a response.
2. Diana Malott asked what happens when a student moves between one of the three plans during a plan year: do the deductible limits start anew? Dale Burns stated that they do not even though there are different policy numbers, the information is managed manually, otherwise the deductible will start again. If UHC is alerted to this, they will perform the manual process to transfer the information.
3. Dale Burns stated that UHC believes there is the potential that waiver requirements are being applied differently at different universities. UHC is willing to pay for a waiver audit for all of the universities, but the universities would need to agree to charge the international student the UHC plan premium if the student's health plan failed the waiver audit or the universities would allow the international student to maintain the other plan's coverage for that semester only and not for future semesters. The audit turnaround has generally been 3-5 days if the plan information can be audited electronically, but could be as long as two weeks if phone calls need to be exchanged to secure necessary information. Robust reporting would also be provided. This topic will be added to the next meeting's agenda.

Future SIAC meetings

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

1. Wednesday, February 1, 2017
2. Wednesday, May 3, 2017