



H.R. 3590 and H.R. 3962 - Conference Committee:
Clarification in Preserving Affordable College Student Health Insurance

SUBMITTED BY: *The American College Health Association (ACHA)*

URGENT ATTENTION REQUESTED

*SUMMARY: Emerging national health reform legislation (H.R. 3590 and H.R. 3962) should preserve high quality, cost effective student health insurance/benefit plans (“SHIBPs”) offered by colleges and universities. The intent to preserve these college sponsored plans was addressed in H.R. 3590 and should be retained after conferencing; however, further clarification is needed in the final legislation to retain SHIBP’s **group**-like rating status.*

BACKGROUND:

Many colleges and universities currently provide health insurance for their students. Nationwide, approximately 3 million students are enrolled in SHIBPs. In addition to fully insured programs, some institutions of higher education use cost-effective self-funded arrangements.

SHIBPs have been typically regulated at the state level as either **group** health insurance (i.e. on the same basis as employer-sponsored health insurance) or under the blanket and franchise section of the insurance code as a form of **group** insurance. Between state and federal laws, SHIBPs have not heretofore been a form of individual health insurance coverage.

SHIBPs have been defined as a “limited duration” form of coverage under the Public Health Service Act (“PHSA”).¹ As such, they have been exempt from certain individual market requirements. Among other things, this has permitted colleges and universities to offer students high quality, low cost, **group**-like coverage that sets premiums as a large group would.

IMPACT OF LEGISLATIVE LANGUAGE:

H.R. 3590 established the intent to allow continuation of comprehensive college student health insurance/benefit plans. Title I, Subtitle G, Section 1560(c) stated that nothing in the Act should be construed to prohibit institutions of higher education from offering a student health insurance plan. This language was a helpful recognition of the important role that institutions of higher education play in providing student insurance and signaled the intent to preserve college student health insurance. However, the ability to continue offering high quality, cost advantageous SHIBPs on a **group**-like basis might no longer be possible because, by default *and without additional clarification*, SHIBPs could be interpreted as being subject to individual market

¹ See 42 USC 300gg-91. “The term “individual health insurance coverage” means health insurance coverage offered to individuals in the individual market, but does not include short-term limited duration insurance.”

rating requirements because of the way in which the **group** market is exclusively defined as an employer-based market of insurance in Title I, Subtitle D, part I, Section 1304 “Definitions Related to Markets”.

Since Section 1304 defines the individual market as “the market for health insurance coverage offered to individuals other than in connection with a group health plan”, there needs to be clarifying language in the final bill to enable colleges and universities to continue offering low cost, high quality, **group**-like plans to their students. Otherwise, students would likely face substantial increases in college health insurance premiums.

PROPOSAL:

Remove current 1560(c) Rule of Construction and replace with the following rule:

For purposes of this Act, and any subsequent amendments, college or university sponsored student health insurance coverage shall not be considered to be coverage offered in the individual market, provided that such student health insurance coverage meets the following requirements. Student health insurance coverage:

(1) must be offered by an “eligible educational institution” as defined in sections 101, 102(a)(1)) and 102(b)) of the Higher Education Act of 1965 (20 U.S.C. 1001 and 1002),

(2) is made available to eligible students and their eligible dependents as defined by the policy without regard to health status,

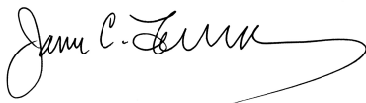
and,

(3) must meet, at a minimum, the actuarial standards for the Bronze Plan as defined in this Act.

Student health insurance coverage that meets the previous three requirements shall be considered minimum essential coverage for the purposes of satisfying the individual responsibility requirements of this Act.

Thank you in advance for considering our request.

Submitted Respectfully,



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*For nearly 90 years, the American College Health Association (ACHA) has been the principal advocate and leadership organization for college and university health. ACHA applauds the commitment to reform our nation’s health care system which is long overdue for meaningful change that will reduce costs, provide and expand affordable access to services, improve quality, and preserve the individual patient’s choice. ACHA offers the unique perspectives of its members who provide clinical services, mental health services, health education programs, wellness and prevention services, and health administrative/support services for the nation’s **nearly 18 million college students**, an important sub-population with equally high stakes in improvement of the nation’s health.*