

STUDENT COVERAGE AT RISK: HELP ACHA INFORM FEDERAL STAKEHOLDERS

The Department of Labor (in conjunction with the Departments of Treasury and Health and Human Services) issued a [Technical Release](#) on February 5, 2016, specifying that colleges and universities subsidizing the cost of either fully insured OR self-funded student health insurance programs (SHIPs) constitutes an impermissible premium reduction arrangement for students who are also employees of colleges and universities. Such arrangements are, however, allowed to continue *through the end of the 2016–2017 plan year*.*

* This determination is not related to the [Employer Shared Responsibility](#) under the ACA that specifies that health insurance must be provided to employees who work more than 30 hours per week.

Policy Implications for Colleges/Universities: If institutions of higher education continue to extend subsidized SHIP coverage to their graduate assistants or, in some select cases, undergraduates, they will face heavy financial penalties beginning in the 2017–2018 school year.

Importance of SHIP benefits: Currently, students receive greater coverage benefits with SHIPs than typical platinum coverage that is available on the insurance exchange. This is because many SHIPs include dental and/or vision benefits and cover most or all of the cost of services and supplies provided by on-campus health and counseling services. Further, SHIP benefits are often integrated with accredited on-campus student health and counseling services that specialize in meeting the unique preventive and therapeutic health care needs of undergraduate and graduate students.

SUMMARY OF LIKELY IMPACTS

Increased Cost to Students: Without the option of SHIP coverage, graduate students may choose to enroll in the university's lowest tier employee health plan; however, **out-of-pocket costs will likely increase substantially** from their previous SHIP coverage. In addition, removing a large group of graduate students from a school's overall risk pool could also cause disruptions and **SHIP cost increases for the wider student population**.

Loss of Access to Care: Because of the financial constraints that many graduate assistants/teaching assistants (GAs/TAs) experience on a daily basis, increased out-of-pocket costs could invariably result in GAs/TAs **choosing to forgo services with out-of-pocket costs**.

Increased Cost to the University: There will likely be **substantial new costs for the certain universities** that are much higher and less predictable than the current SHIP cost subsidy for GAs/TAs. These direct and indirect costs include increased emergency financial aid funding for medical expenses and increased volatility for graduate students withdrawing and/or having poor academic and work performance.

Decreased Continuity of Benefits: Graduate students frequently have **periodic GA/TA appointments**. A key advantage of SHIPs is that there is no disruption in their enrollment and availability of benefits in between semesters or over the summer.

Increased Administrative Burdens: With graduate assistants no longer eligible for subsidized student health plans, institutions would likely have to manage burdensome administrative transitions. For example, institutions would likely administer changes in insurance provider networks, claims administrators, and plan enrollment processes. In addition, institutions would have to make provisions for frequently moving graduate assistants between eligibility for the university's employee health benefits options and individual insurance/SHIP coverage based on the continuity and duration of their work schedule.

DESIRED POLICY OUTCOME

Institutions of higher education will be permitted to continue to provide subsidized SHIP coverage **without penalty**.