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# **The State of Student Health Insurance: Implications for ACHA's Standards**

**2007 Student Health Insurance/Benefit Plan (SHIBP)  
Survey Results  
From ACHA's Task Force on Student Health Insurance**

**June 1, 2007 – San Antonio Marriott Rivercenter**

**Presenter:**

**Dana M. Mills, MPH – Marquette University**

# Introductory Notes

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- General Discussion -- No Specific Advice
- Views of Presenters – Not ACHA.
- Data for 4-Year Publics and Privates (n for 2 years = 17)
- Skewed Data:
  - “Loose waiver” versus “Restrictive Waiver”
  - No SHIBP (9.0% for publics and 7.3% for privates).
- Data x 5: \$2 Billion in Annual SHIBP Premiums/Fund Contributions.



# Three Presentation Objectives

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1. Describe the major findings of ACHA sponsored survey research relating to student health insurance/benefit programs (SHIBPs).
2. Discuss the implications of the survey findings for possible recommendations for revising the ACHA's Insurance/Benefit Standards.
3. Identify key elements for applying the Standards to individual campus SHIBPs.

# Review of Survey Operation and Introductory Notes

- **Designed by ACHA Task Force on Insurance**
  - Debbie Rosenberger – U. of Mary Hardin-Baylor
  - Lynn Tabor, U. of Georgia
  - Dick Sipp, Bowling Green U.
  - Regina Roberto, Worcester Polytechnic Institute
  - Dwayne Sackman, U. of Wisconsin – Madison
  - Valerie Lyon, Cornell U.
  - Cindy McGahey, U. of New Hampshire
  - Diane Plumly, Ohio State U.
  - Leah Arnett, U. of Texas – Austin
  - Sue Jackson, U. of Minnesota – Twin Cities
  - Catherin DeFrancesco, U. of Southern California
  - Technical Advisors: Bob Ward (ACHA), Victor Leino (ACHA), and Steve Beckley (HBC-SLBA)
  - Data Analysis: Doreen Hodgkins (HBC-SLBA)
  - Dana Mills, Marquette U., Task Force Chair
  
- **PDF copy of survey**
  - <https://websurveyor.net/wsb.dll/9346/HEALTHINSURANCE-2006-3.htm>
- **Current ACHA Insurance/Benefit Standards**
  - [http://www.acha.org/info\\_resources/stu\\_health\\_ins.pdf](http://www.acha.org/info_resources/stu_health_ins.pdf)
- **Summary of descriptive statistics as a handout**
- **Announcements and Operation Dates**
  - On-line survey announcement on February 8, with due date of March 15, 2007

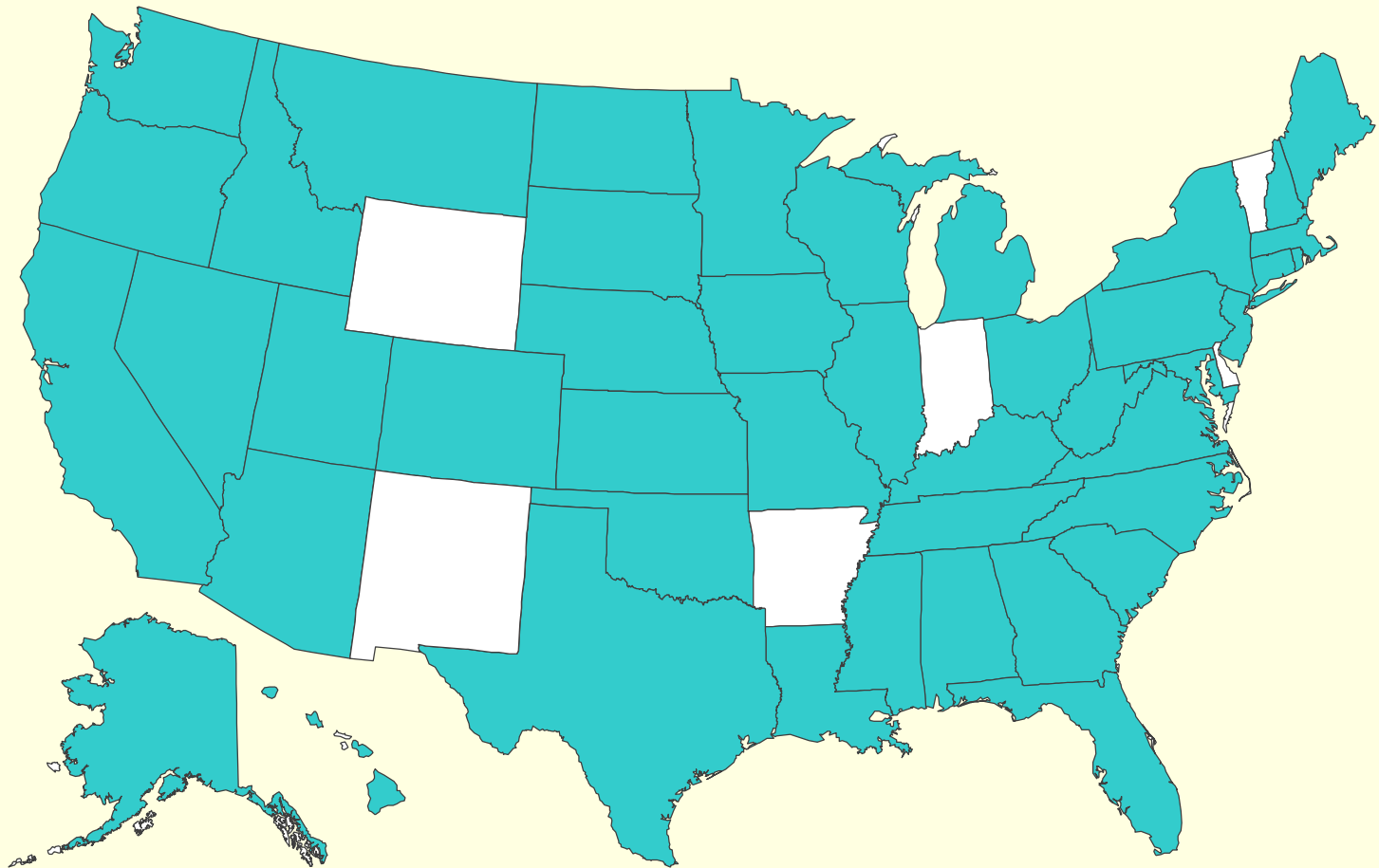


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# Introduction and Respondent Demographics

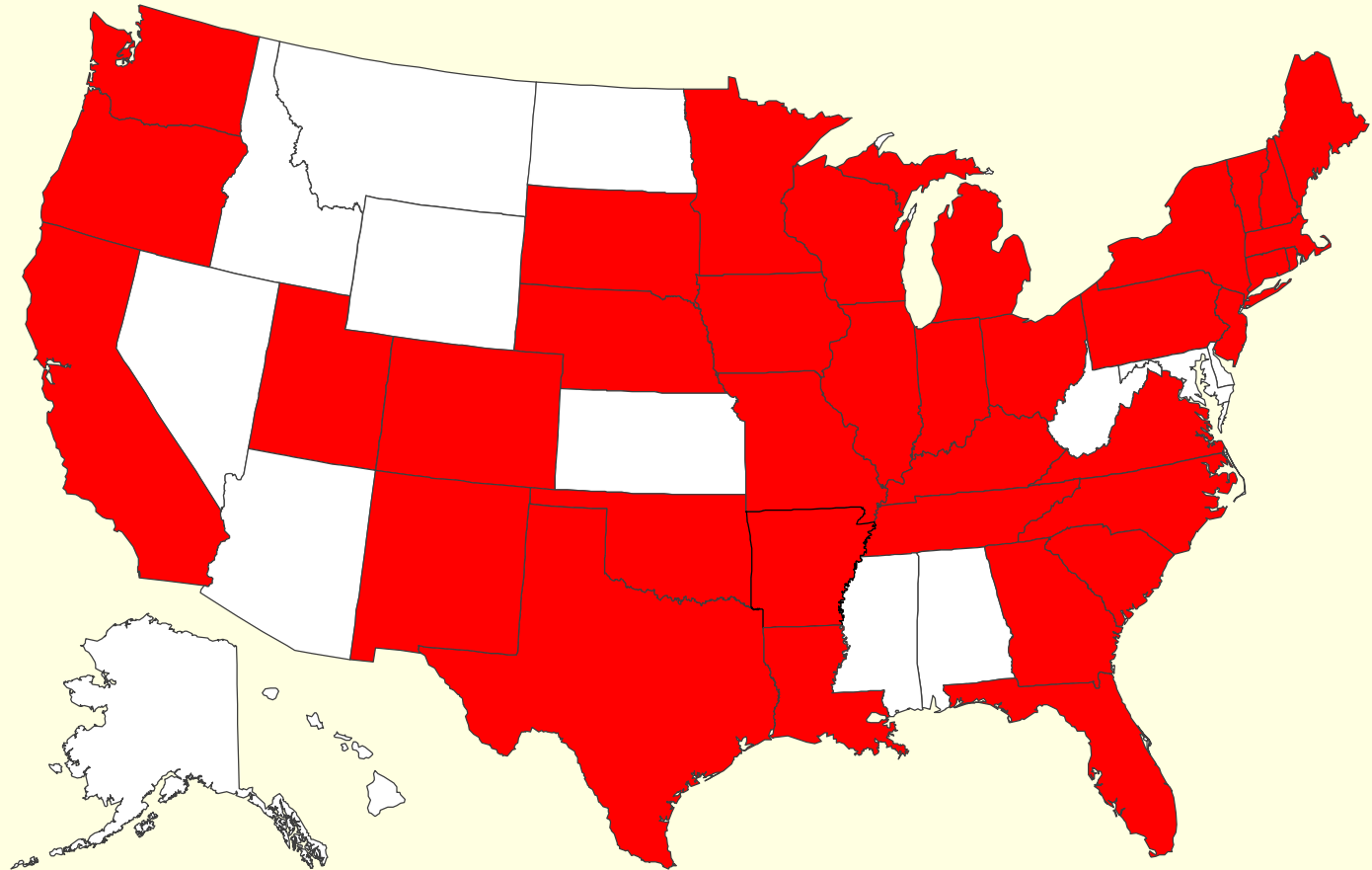
# Public School Responses – 4-Year

- 132 schools from 44 states



# Private School Respondents – 4 Year

- 123 schools from 36 states plus the District of Columbia



# Major Findings

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- Overall: 60% of college health services have control of the campus SHIPB.
- Overall: 57% of schools require health insurance as a condition of enrollment (38% publics and 79% privates). One-third arising since 2000. About 57% of the remaining privates and 33% of the remaining publics said they are considering student health insurance as a condition of enrollment in the future.
- 70% of SHIBP enrollment systems are either voluntary (38%) or restrictive waiver (32%). “All or nothing” system. 40% of voluntary plans were not declared to be financially viable.
- 64% of schools have 25% or less of their students covered by their SHIBP.
- 70% of public schools and 74% of private schools have an annual SHIBP premium below \$1,200.
- 30% of schools have aggregate premium funds below \$250,000 per year. 3% of schools have funds of \$15,000,000 or more.





# Analysis of Data Elements:

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- Public vs Private
- Control of SHIBP's
- Size
- Existence of a Health Fee (pre-funding)
- % of Fees-for-Service Revenue
- Plan Enrollment Systems
- Health Insurance Requirement as Condition of Enrollment
- Individual (Student) Premiums
- % Plan Enrollment
- Study of Uninsured Population
- Target Loss Ratio's
- Aggregate Plan Premiums
- Use of Self-funding
- Institutions offering a SHIBP

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# Size, Health Fees, and Fee-for-Service/Insurance Reimbursement Funding

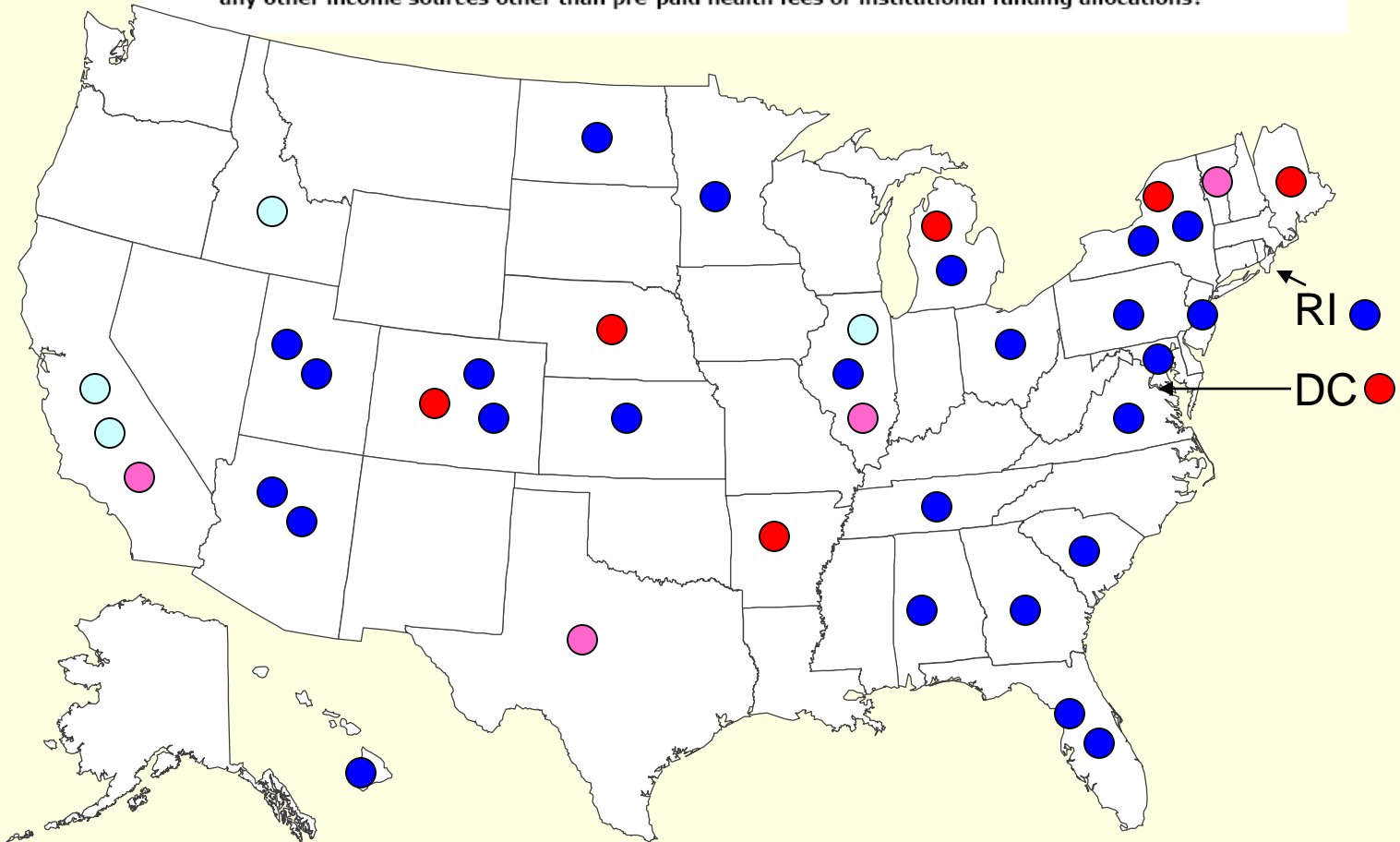
# Enrollment Size and Median Pre-Funding for SHS

34) What is the academic year (not including summer) level of pre-funding for student health services from health fees/institutional funds per student? Include any free-standing health education and wellness programs that are separate from your health service.

Enrollment	Public Undergraduate	Public Graduate	Median SHS Pre-Funding	Private Undergraduate	Private Graduate	Median SHS Pre-Funding
None	0.0%	6.0%		2.4%	16.1%	\$300
Under 1,000	0.8%	18.0%	\$150	11.3%	41.9%	\$61
1,000 to 1,999	3.8%	15.0%	\$120	29.8%	11.3%	\$102
2,000 to 4,999	17.3%	36.8%	\$61	35.5%	18.5%	\$176
5,000 to 9,000	18.0%	17.3%	\$94	12.1%	7.3%	\$262
10,000 to 14,999	23.3%	6.0%	\$113	5.6%	4.0%	\$231
15,000 to 19,999	14.3%	0.8%	\$172	1.6%	0.0%	\$75
20,000 to 24,999	9.0%	0.0%	\$131	1.6%	0.8%	\$400
25,000 to 29,999	6.8%	0.0%	\$125	0.0%	0.0%	\$170
30,000 to 39,999	3.0%	0.0%	\$100	0.0%	0.0%	
40,000+	3.8%	0.0%	\$35	0.0%	0.0%	
<b>Total</b>	<b>100.0%</b>	<b>100%</b>		<b>100.0%</b>	<b>100.0%</b>	
<b>Average (N=152)</b>			<b>\$108</b>	<b>Average (N=131)</b>		<b>\$159</b>

# 50% and 60% FFS/Insurance for SHS Funding

36) What percentage of your overall health service budget is derived from students' fee-for-service charges, insurance reimbursements, student health insurance/benefit program capitations, and/or any other income sources other than pre-paid health fees or institutional funding allocations?



<u>Public</u>	<u>Private</u>	
N = 26	N = 7	60% + Funding from Fee-for-Service
N = 4	N = 4	50% to 59% Funding from Fee-for Service

# SHIBP Enrollment Systems, Plan Participation, and Insurance Requirements

# Student Insurance Enrollment System Definitions

25) Please identify the student health insurance criteria in your enrollment system for **full-time UNDERGRADUATE** US citizens/permanent residents:

Read definitions thoroughly before entering data [Definitions](#)

- Voluntary
- Positive Check-Off
- Forced Answer
- Negative Check-Off
- Mandatory with "Loose" Waiver
- Mandatory with "Restrictive" Waiver
- Mandatory with Right of Refund
- Mandatory
- N/A

Schools responding that they do not have a SHIBP are not deemed to be representative of national pictures (9% for public and 7.3% for private).

Plan Participation by Enrollment System	Public	%		Private	%
Voluntary	64	53.3%		20	17.7%
Positive Check-Off	6	5.0%		0	0.0%
Forced Answer	2	1.7%		2	1.8%
Negative Check-Off	0	0.0%		0	0.0%
Loose Waiver	14	11.7%		21	18.6%
Restrictive Waiver	26	21.7%		50	44.2%
Right of Refund	4	3.3%		4	3.5%
Mandatory	2	1.7%		12	10.6%
N/A	2	1.7%		4	3.5%
<b>Total</b>	<b>120</b>	<b>100.0%</b>		<b>113</b>	<b>100.0%</b>

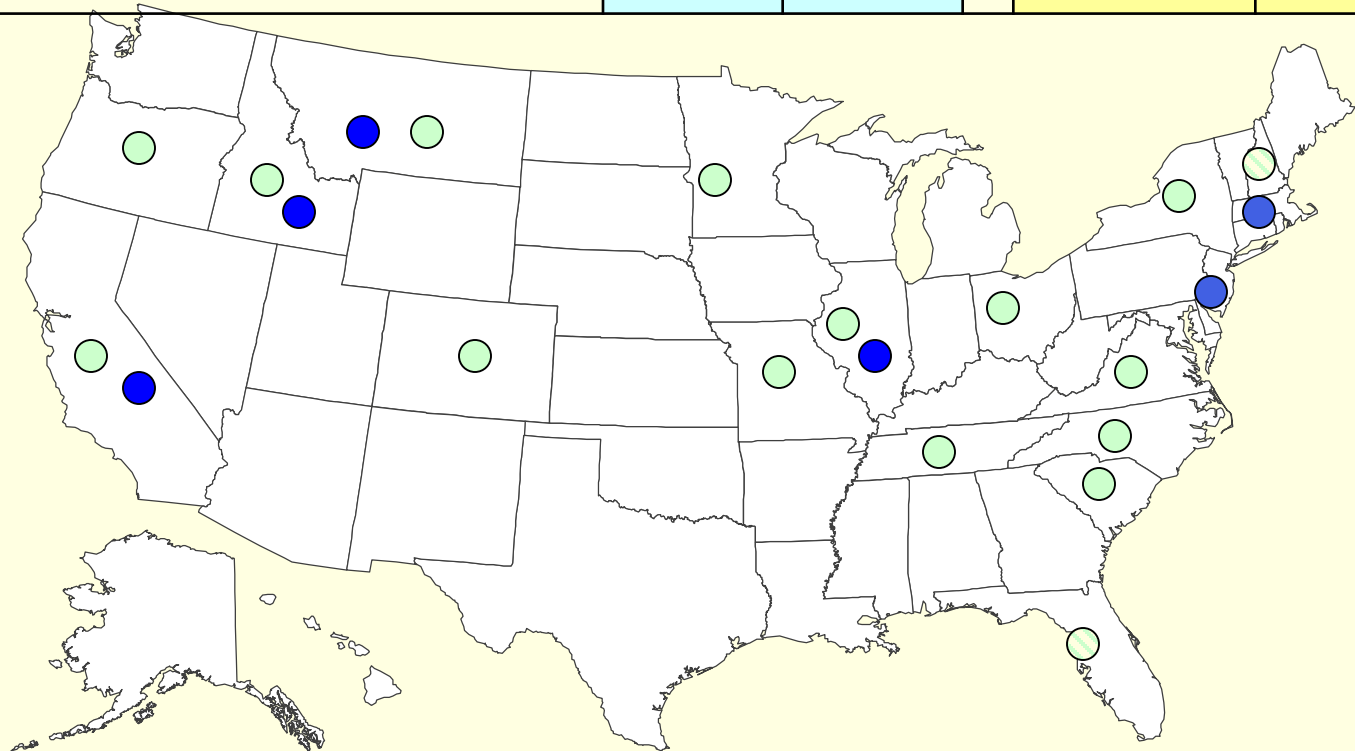
38.3% of Public institutions require health insurance as a condition of enrollment.

77% of Private institutions require insurance

# Insurance Requirement for Undergraduate US Citizens

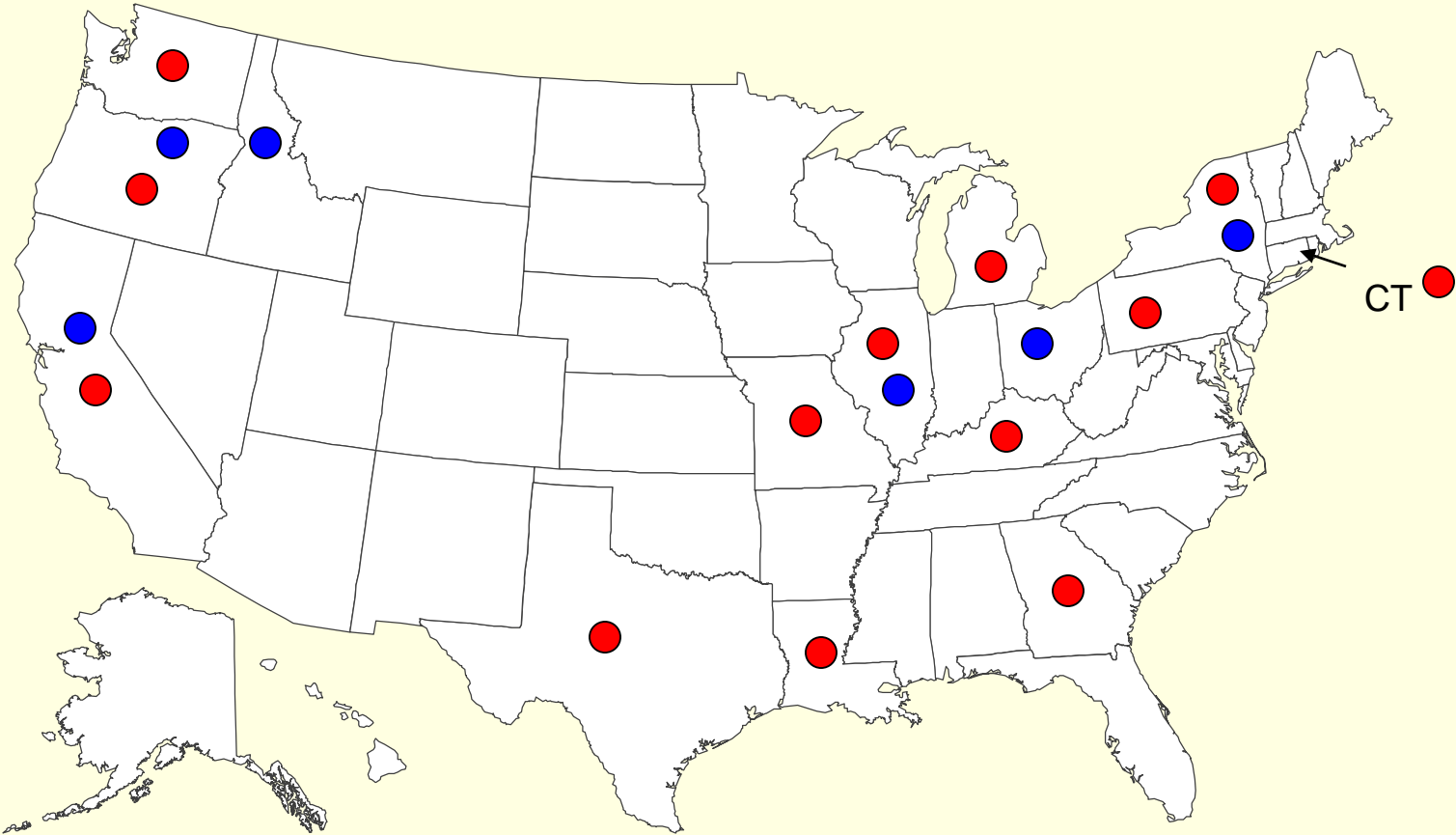
20) Does your institution require health insurance as a condition of enrollment for US citizens/permanent residents for full-time undergraduate students?

	Public	%		Private	%
Mandated by Institution	32	26.0%		81	70.4%
Mandated by State or Higher Education Governing Board	15	12.2%		10	8.7%
No	76	61.8%		24	20.9%



- State or Higher Education Governing Board Policy
- Public – Insurance Required for Undergraduates
- Public – Implementing for 2007

# Insurance Requirement Adopted Since 2000 (33%)



- Public
- Private



# Status of 76 Public Voluntary SHIBPS

22) Do you expect your institution will require health insurance as a condition of enrollment in the future?

		%
Yes	25	32.9%
No	51	67.1%

23) If No, which best describes your current position.

- Our voluntary health insurance plan is stable and we expect to be able to continue to provide a student health insurance/benefit program
- It is questionable whether our institution will be able to continue to offer a student health insurance/benefit program because of plan viability or other factors
- Other (please specify)

		%
Stable Plan	30	60.0%
Questionable	6	12.0%
Other	14	28.0%

24) If Yes, which best describes your current position. (please check all that apply).

- We have plans to implement an insurance requirement within the next two years
- We are studying the possibility of requiring health insurance as a condition of enrollment
- Our requirement for health insurance is being considered by higher education governing board or state legislature
- Other (please specify)

		%
Plan to Implement	7	5.3%
Studying	16	12.0%
Considered by State or Governing Board/Legislature	9	6.8%
Other	9	6.8%

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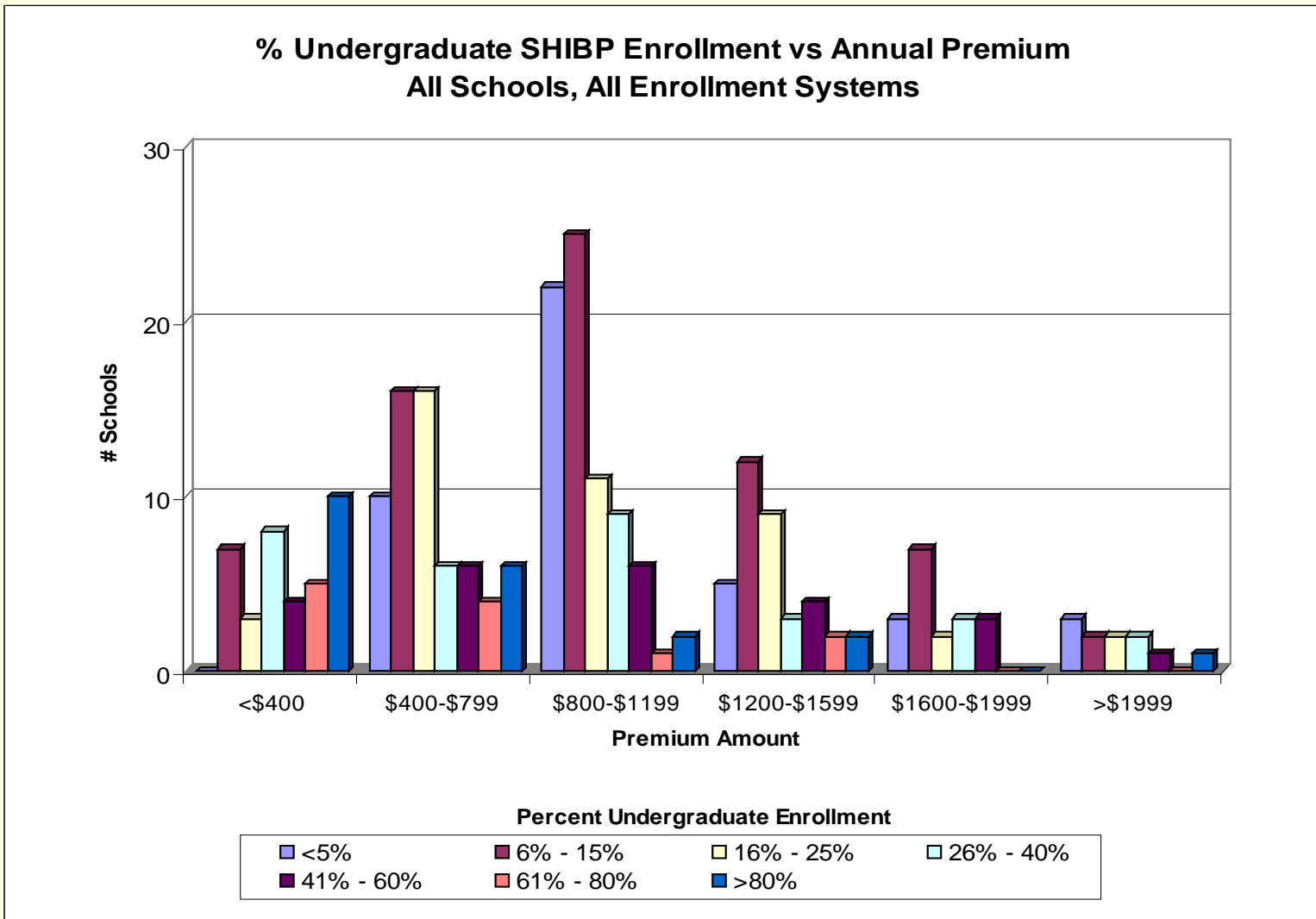
# SHIBP Enrollment Systems, Plan Participation, and Individual Premiums

# Insurance Costs

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- 33% of premiums at private schools cost \$1,000 per year or more.
- 50.5% of premiums at public schools cost \$1,000 per year or more.
- Conservative estimates of annual premiums collected for the responding 108 public and 95 private schools amounts to \$282,700,000 and \$202,400,000, respectively.

# Cost of SHIBPs for Undergraduates



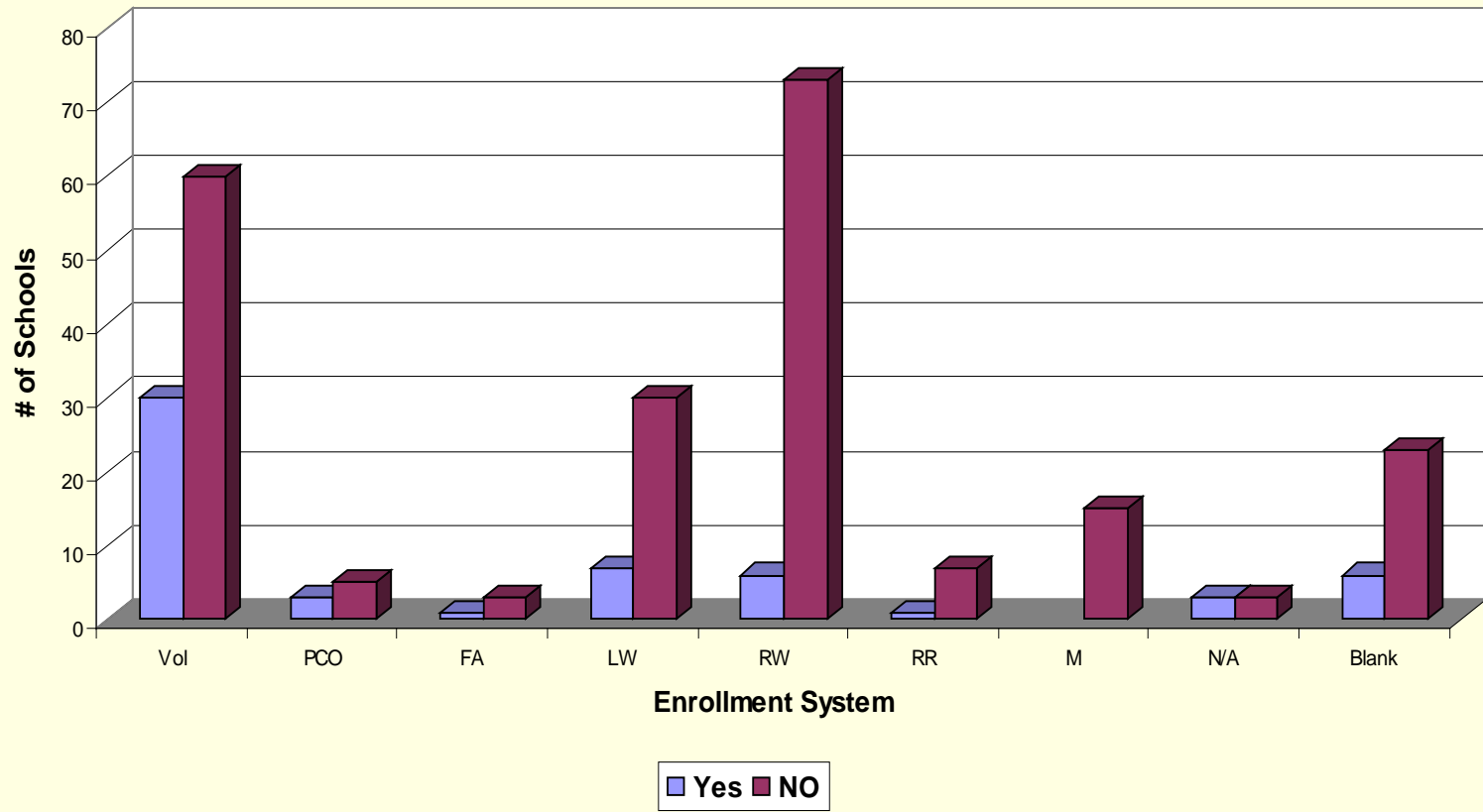
# Uninsured and Under- Insured Students

# Study of Uninsured Students

37) Have you conducted a survey or other study in the past three years that identifies uninsured students?

Yes  No (skips to Q39)

Study of Uninsureds? All Schools



# Perspectives on the Under Insured Population

39) Do you have significant concerns for the under-insured student population (other than your student health insurance plan)

Yes  No

Question 39	Public	%		Private	%
Yes	94	71.2%		75	61.0%
No	38	28.8%		48	39.0%
Total	132	100%		123	100%

# Perspectives on the Under Insured Population

40) If no, (please check all that apply).

- We have criteria in our insurance requirement that assures our students have appropriate access to health care services
- We do not routinely encounter problems with insured students relative to their ability to obtain health care services
- Other (please specify)

If you selected other please specify:

Question 40	Public	% of 38		Private	% of 48
Ins Requirement -- Appropriate Access	18	47.4%		28	58.3%
Do not routinely encounter	26	68.4%		35	72.9%
Other	4	10.5%		3	6.3%



# Perspectives on the Under Insured Population

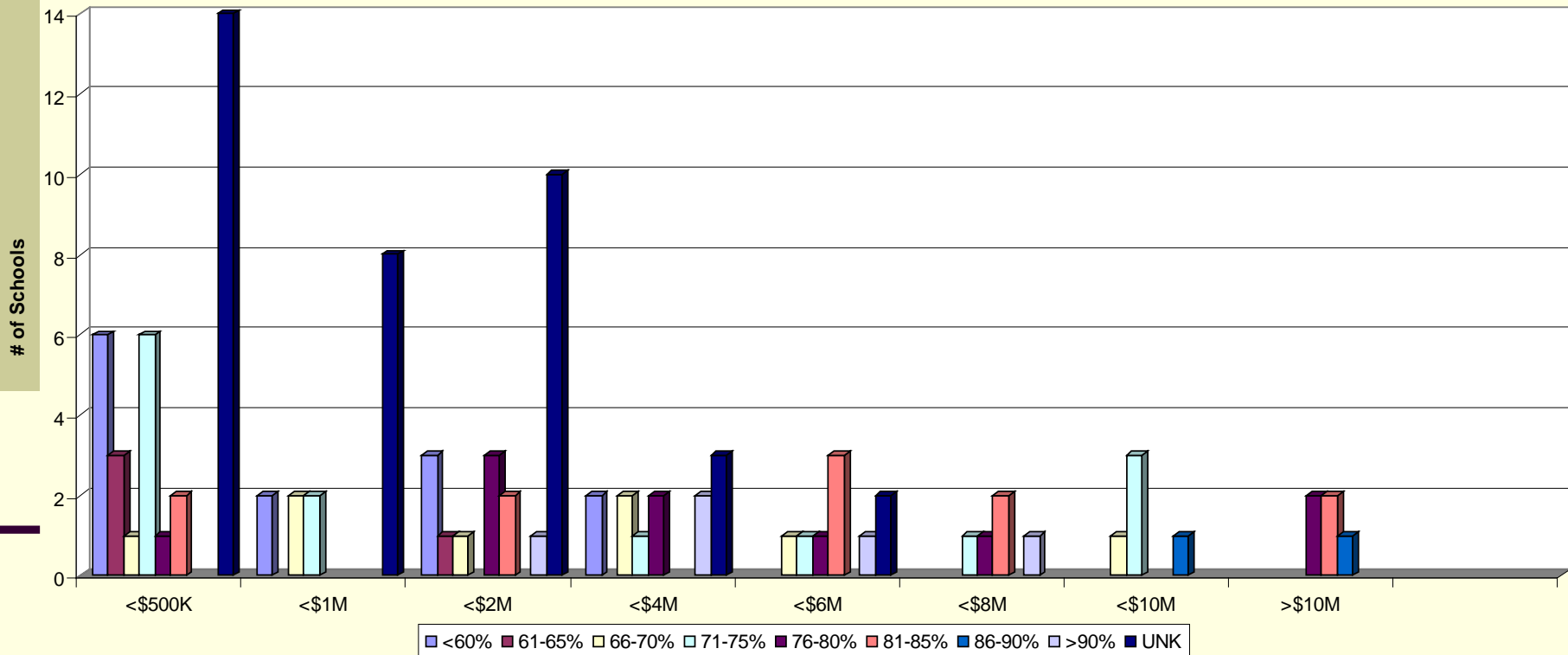
41) If yes, (please check all that apply).

- We encounter a growing number of students who have a deductible of \$1,000 or more and they do not have adequate personal funds to pay for health care expenses (e.g., their medical savings account is not adequately funded).
- We encounter students who do not have adequate prescription drug coverage
- We encounter students who do not have adequate mental health care coverage
- We encounter students who do not have adequate catastrophic coverage
- Other (please specify)

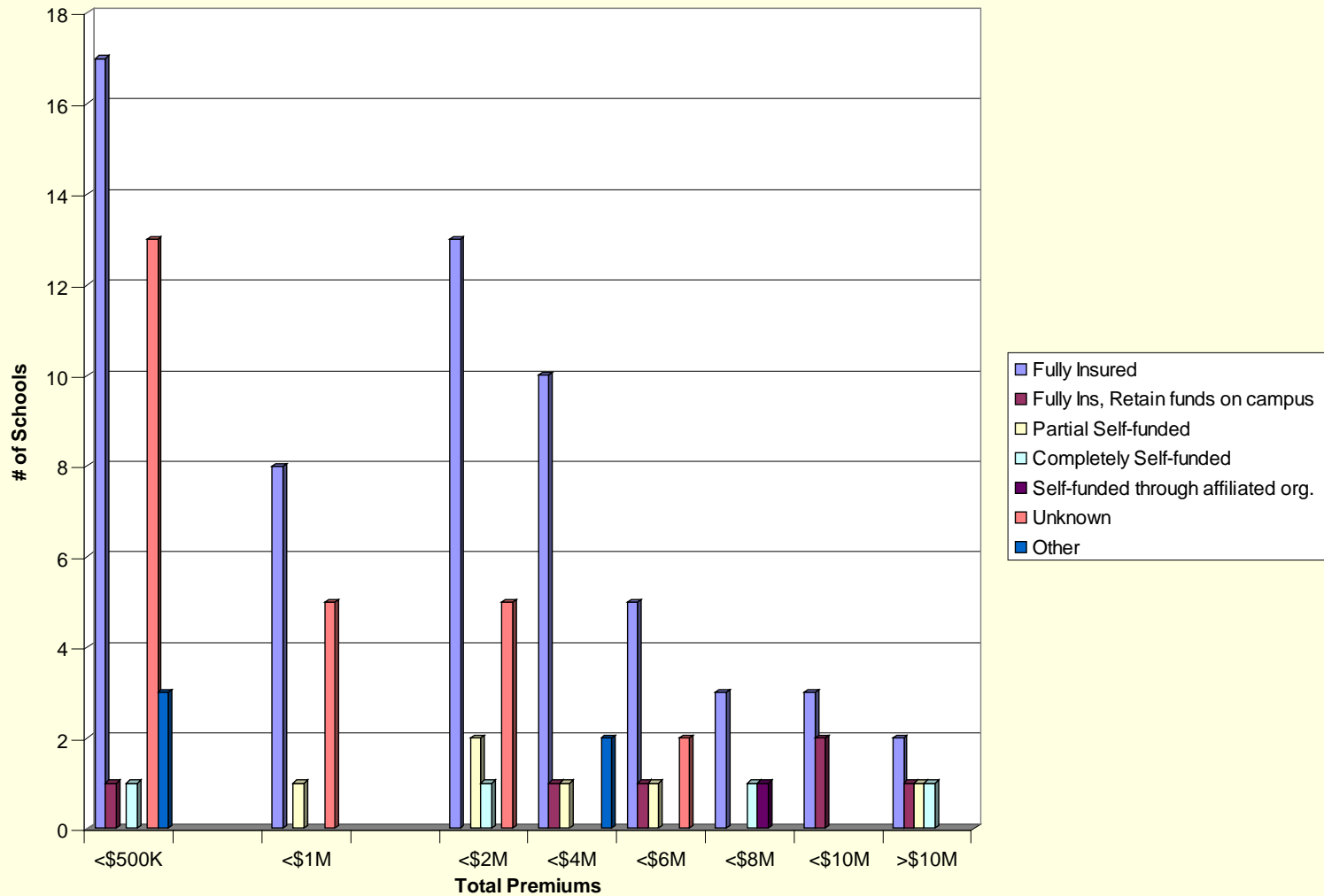
Question 41	Public	% of 94		Private	% of 75
\$1,000 or more Deductible	64	68.1%		46	61.3%
Inadequate Rx Coverage	80	85.1%		61	81.3%
Inadequate Mental Health	74	78.7%		62	82.6%
No Catastrophic	67	71.3%		44	58.7%
Other	23	24.0%		12	16.0%

# Premium Volume, Target Loss Ratios, and use of Self-Funding

# Publics: Premium Volume and Target Loss Ratio



# Publics: Use Self-Funding by Premium Volume



11.4 % of publics use partial or complete self-funding (unknown 23.3%)

4.2% of privates use partial or complete self-funding (unknown = 29.2%)

# ACHA's Standards

# Knowledge and Application of Standards

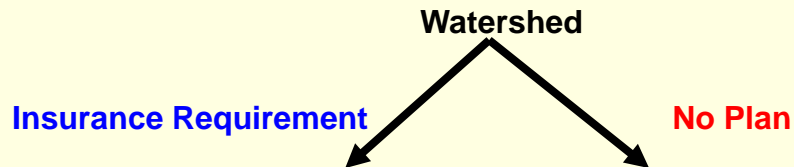
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- 72% of publics and 68% of privates know that ACHA has Standards for student health insurance/benefit programs.
- 3% of publics and 24% of privates publish a declaration that SHI/BP complies with ACHA Standards.

# Major Survey Conclusions

# Insurance Requirements

1. One-Third of Public Universities now require health insurance as a condition of enrollment for full-time undergraduate students
  - 40% of voluntary plans are not rated as sustainable
  - 35% have adopted insurance requirement since 2000
  - 33% expect to require health insurance in the future



2. Nearly 80% of private schools have a health insurance requirement. Nearly 2x more likely to mandate than public schools (79% vs 38%).
3. The trend toward fee-for-service funding is probably a major factor affecting the decision to require health insurance.
4. There is probably a trend toward stronger enrollment systems (no negative check-offs reported). Private schools 2X as likely to apply restrictive waiver for full-time undergraduates than public schools (44.2% vs 21.7%).





## Further Findings:

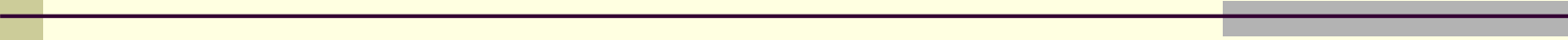
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- SHIBP's are as diverse as the field.
- Responder comments demonstrate frustration with status quo.
- From anecdotal survey comments, a number of voluntary plans are experiencing “the death spiral”.

# Research Observations and Comments:

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- Need to know campus uninsured rate (e.g., undergrad and grad) **AND IMPACT.**
- Multiple reasons for insurance requirement trend (e.g., risk management)
- Need greater expertise: Billing and Insurance
- Benefit/costs comparisons are difficult
- Publics moving to FFS funding -- less aggressive in having a health insurance requirement, which doesn't match. The opposite is true for private schools.
- Consider self-funding of predictable risks
- Avoid fractionalization
- Monetary Value Requires Fiduciary Responsibility
- Student involvement -- not surveyed and should be.



(Preliminary)  
Recommendations  
For the Task Force

# Possible Task Force Recommendations:

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- Continuing education for campus plan managers.
  - Provide essential definitions and design options.
  - Provide more descriptive information on how to implement the standards (e.g., how to determine the need, promote an insurance requirement, develop an effective waiver document, provide fiduciary oversight).
- Inter-relate ACHA benchmarking efforts with regard to changes in the field.
- There is the opportunity for external and professional collaboration to move the field forward.
- Development of position paper on federal and state insurance compliance with our external professional colleagues (e.g. NAIC, NACUA).
- Note: Findings here and after further discussion with the Task Force may result in recommendations for changing the Standards to ACHA's Board of Directors.

**The END**