

# College and University Student Health Insurance Programs

## Public Policy Benefits from an Insured College Student Population in New York

***Partnership for Coverage Public Hearing  
Joint Hearing by the Departments of Health and Insurance  
Commissioner Richard F. Daines, M.D., Department of Health  
Superintendent Eric R. Dinallo, Department of Insurance  
SUNY College at Old Westbury  
December 5, 2007***

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# Agenda

- Objective
- The Uninsured in New York
- Benefits of Student Health Insurance
  - A Public Policy Perspective
- The University of California Study
- The Massachusetts Experience
- Take Away Messages

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# Objective

- *To present the public policy benefits of requiring all full-time college students to have health insurance as a condition of enrollment*

# The Chickering Group...

- is the largest student health insurance company in the U.S.
- provides health insurance services to 175 colleges and universities
- Insures students at 18 public and private colleges and universities in New York State
- is wholly-owned by Aetna

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# The Uninsured In New York

- 13.5% of New Yorkers were uninsured in 2005-06 compared to 12.8% in 2004-05
- 2.6 million people in New York are uninsured (2006 statistic)
- National statistics show that 17.8% of individuals age 18 to 24 are uninsured

*Source: U.S. Census Bureau changes in two-year average*

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# Changes in Employer-Based Health Care Coverage

Requiring college students to have health insurance will help offset some of the decline in employer coverage – a trend that is expected to continue.

% of Americans covered by employer-based insurance has declined steadily from 64.2% in 2000 to 59.7% in 2006.

*Source: U.S. Census Bureau*

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# Public Policy Reason #1

## Supporting Student Health Insurance

- High correlation between student dropout rates and lack of health insurance
  - 25% of withdrawals at The University of California are related to lack of insurance
  - Policy protects institutional investment in student recruitment

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# Public Policy Reason #2

## Supporting Student Health Insurance

- Eliminates reluctance to seek treatment due to cost, thereby preventing complications
  - 39% of the uninsured postpone treatment due to cost vs. 10% for the insured
  - 30% of the uninsured do not fill prescriptions due to cost vs. 12% for the insured

Source: *Kaiser Family Foundation Report, April 2000*  
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# Public Policy Reason #3

## Supporting Student Health Insurance

- Constructive action addressing the increasing number of uninsured
  - 46 million Americans are uninsured
  - In Massachusetts, approximately 25% to 30% of full-time students did not have insurance coverage prior to a legislative change requiring student health insurance coverage in 1989.

Today, all college students in Mass. are required to have health insurance.



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# Public Policy Reason #4 Supporting Student Health Insurance

- Countermeasure to address increasing uncompensated care costs
  - The State of New York spends more than \$1.2 billion per year for uncompensated care
  - New York has the fourth largest number of uninsured people in the nation <sup>(1)</sup>
  - Program provides added funding for hospitals
  - Protects the State from uncompensated care costs generated by students from other states

Primary driver behind the Massachusetts statute in 1989

*Like Mass., NY colleges and universities enroll a high proportion of students from other States*

*U.S. Census Bureau Report released August 2007*

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# University of California System

- Board of Regents adopted a requirement that all full-time students have health insurance coverage beginning in Fall 2001
- The Board's concern was:
  - “alarming medical-related student drop-out rates”
  - 40% uninsured rate among UC students
- 25% of students who withdraw from the University do so for medical cost reasons

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# Massachusetts Experience

- Adopted legislation requiring student health insurance in 1989
- Successfully reduced the number of uninsured students.
- Insurance required of all full-time students
- 30.4% of students are enrolled in institution-sponsored plans
- Average cost of approximately \$800 per year

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# Massachusetts QSHIP Law

## Qualified Student Health Insurance Plan

**Institutions of Higher Education.** Every institution of higher education shall require all full-time and part-time students enrolled in a certificate, diploma or degree-granting program, including Massachusetts residents enrolled in an on-line program, to participate in a qualifying student health insurance program or in a health benefit plan with comparable coverage as defined in 114.6 CMR 3.04(2)

*Definition of a part-time student limits applicability to students who carry loads of 75% or more of a full-time student.*

***Law applies to public and private institutions***

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# Massachusetts Plan Design

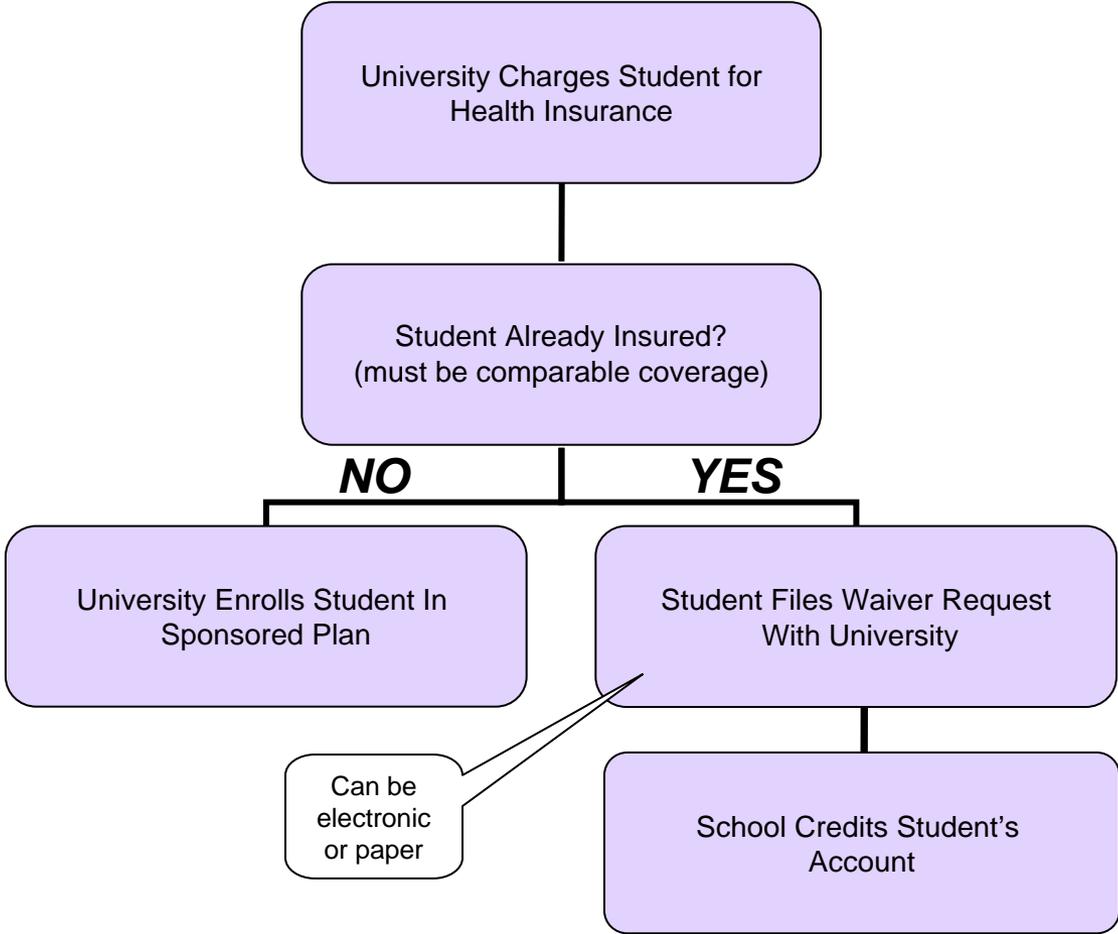
- Plan Maximum \$50,000
- Deductible may not exceed \$250
- Coverage from insurance carriers outside the U.S. are deemed not to meet the State's requirements for a waiver
- Ensures adequate coverage at reasonable cost for students

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# The Waiver Process

## How It Works



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# City University of New York

- 100,000 students of which 2.5% are enrolled in a student health insurance plan
- Likely that 17.5% to 30.5% of CUNY students are uninsured (this problem will increase as employers cut back on benefits for dependents)

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# SUNY Institutions

- Wide disparity between institutions concerning insurance requirement and insurance benefits
- Most require some form of health insurance
- Some insured students are effectively uninsured due to plan limitations

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# States Considering or Enacting a Student Health Insurance Requirement

- **Massachusetts** (1989)
- **New York** (S.B. #2907)
- **New Jersey** (Administrative Code 8:57-7.1)
- **Idaho** (Public Institutions)
- **California** (University of California Board of Regents 2001)
- **Pennsylvania** - HB #2005
- **Florida** – Recommended by the Florida Health Insurance Advisory Board – November 2007

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# International Students are Required to Have Health Insurance

International students on F-1 or J-1 Visas are required by federal regulations to have health insurance meeting the following minimum standards:

- \$50,000 per accident or illness
- \$10,000 medical evacuation
- \$7,500 repatriation
- Deductible no greater than \$500

There is no similar requirement for domestic students even though the issue is identical

22CFR62.14

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# Advantages to Requiring Students To Have Health Insurance

- Medical drop-out rates decline
- Uncompensated care costs decline
- Higher % of students complete degree requirements, thereby increasing likelihood of future employment opportunity providing health insurance coverage
- Current and future uninsured rates decline
- Reduced premium costs

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# Take Away Messages

- *New York should join developing trend by various states to require college and university students to have health insurance as a condition of enrollment.*
- *Interest is existence and availability of insurance AND appropriate coverage limits.*
- *State should set minimum coverage requirements.*