

INSTRUCTION, RESEARCH, AND STUDENT AFFAIRS
SEPTEMBER 14, 2012

SUBJECT

Board Policy III.P. Students, Subsection 16. Student Health Insurance Program (SHIP) – First Reading

REFERENCE

April 2010

Board approval of Student Health Insurance Program Consortium contract.

April 2012

Discussion of Board policy III.P.16

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section III.P.16.

BACKGROUND / DISCUSSION

Board policy III.P.16, effective July 1, 2003, requires that every full-fee paying student attending classes in Idaho be covered by health insurance and provides requirements under which institutions must offer and manage health insurance programs. These requirements include that students must be enrolled in the institutions plan unless they provide detailed evidence of alternate coverage which is substantially equivalent to the insurance coverage provided by the institution and that each institution monitor and enforce this policy.

In the decade since this policy was adopted, the needs of students with respect to insurance has changed dramatically. Enrollment in SHIP plans has declined as students remain on their parents' plans through age 26 or find cheaper alternatives that meet their individual needs. In addition, the Patient Protection and Affordable Care Act (PPACA) introduced ongoing uncertainty in the health insurance industry that requires policy flexibility. The US Supreme Court decision in June of 2012 did not clarify the future other than to uphold the legislation as constitutional. Political discussions regarding future direction continue at the National and State level. Institutions will be required to react nimbly to future change to ensure students' needs are met in cost effective ways.

The attached red-lined policy proposes revisions to address the current environment. Due to differences in student body, local health care options and on-campus health and wellness programs, each institution faces a unique environment, and economies of scale are no longer applicable. Furthermore, the declining pool of SHIP participants creates a risk that affordable group insurance may not be available in the future. As such, in III.P.16.a., it is proposed that the requirement that institutions provide insurance be changed from mandatory to optional.

IMPACT

The proposed changes would allow institutions to individually evaluate the needs of their students and provide solutions that are better tailored to their

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requirements. In addition, operations can be streamlined to eliminate the current administrative efforts spent on enrolling in plans. Finally, the ability to react to legislative and industry changes inherent in the current insurance environment will be enhanced by providing flexibility.

The effective date of this policy change would be July 1, 2013. The term of the current contract would be carried out, so there would be no impact on students in the 2012-13 academic year.

ATTACHMENTS

Attachment 1 – Board Policy III.P.16. proposed changes

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STAFF COMMENTS AND RECOMMENDATIONS

At the Board's April 19, 2012 meeting Boise State University (BSU), Idaho State University (ISU), Lewis-Clark State College (LCSC) and Eastern Idaho Technical College (EITC) requested that the Board waive its policy for mandatory student health insurance for one year in order to give time for the legal status of PPACA to manifest and for the institutions to evaluate student health insurance options. A motion was made "to delegate to the presidents of the colleges and universities authority to establish guidelines for student health insurance for the coming year." The motion failed for lack of a second.

The U.S. Supreme Court has since ruled that the "individual mandate" within PPACA is constitutional. Earlier this spring, the U.S. Department of Health & Human Services issued regulations which defined student health insurance plans as a type of Individual Plan subject to all provisions of PPACA. These regulations do not, however, apply to self-funded student health insurance plans.

For the reasons set forth above in "Background/Discussion" the institutions are again requesting reconsideration of the Board's student health insurance policy. In April 2010 the Board approved a contract purchase order with Renaissance Agencies, Inc. to provide a student health insurance plan for BSU, ISU and LCSC for the period of three years and seven optional renewals of one year each, subject to mutual agreement between the parties.

If the Board ultimately approves the proposed policy changes, the institutions will need to determine if they will bid insurance one more year. If so, they will need to issue a RFP in December in order to have a plan in place for the following school year. If the Board doesn't approve the change, institutions can proceed with the RFP in October, but still have to decide if they want to use the consortium or look at individual plans.

The following are issues the Board may want to consider as part of its deliberations:

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1. If Board policy continued to require full-time students have health insurance, but institutions would not have to provide students the opportunity to purchase health insurance through the institution, could there be students who would be priced out of or not be able to get coverage in the private market and therefore be forced to drop down to part-time status or completely withdraw?
2. How would institutions handle athletes, assuming coverage must be obtained in order to compete in NCAA or NAIA?
3. How would institutions handle coverage for international students?
4. EITC asserts that its student population is more analogous to the community colleges, which do not require their students to have health insurance. As such, EITC would like to be completely exempted from any Board mandate for student health insurance coverage. EITC cites examples now of students dropping down to part-time status to avoid the cost of student health insurance.
5. ISU and LCSC have Board-mandated community college functions and technical colleges. If EITC were exempted from the health insurance mandate as referenced above, the Board would need to consider whether the technical college students at ISU and LCSC should be treated similarly.
6. What impact will this decision have on the County indigent care funds and the State's catastrophic health care program?

If the Board approves the first reading of these changes to policy, staff recommends that prior to second reading the institutions clarify III.P.16.b. with respect to the meaning of the phrases "required state and federal standards."

BOARD ACTION

I move to approve first reading of the amendment to Board Policy III.P.16., as presented.

Moved by _____ Seconded by _____ Carried Yes ___ No ___

I move to exempt Eastern Idaho Technical College from Board Policy III.P.16.

Moved by _____ Seconded by _____ Carried Yes ___ No ___

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Idaho State Board of Education
GOVERNING POLICIES AND PROCEDURES

SECTION: III. POSTSECONDARY AFFAIRS

SUBSECTION: P. STUDENTS

June-October 20102

16. Student Health Insurance (Effective July 1, 20013)

The Board's student health insurance policy is a minimum requirement. Each institution, at its discretion, may adopt policies and procedures more stringent than those provided herein.

a. Health Insurance Coverage Offered through the Institution

Each institution ~~shall~~may provide the opportunity for students to purchase health insurance. ~~Institutions are encouraged to work together to provide the most cost-effective coverage possible.~~ Health insurance plans offered through ~~the~~an institution in partnership with student health insurance vendors shall provide benefits in accordance with state and federal law.

b. Mandatory Student Health Insurance

Every full-~~fee-paying~~time student ~~(as defined by each institution)~~ attending classes ~~in Idaho at an institution~~ shall be covered by health insurance. Students ~~shall~~may purchase health insurance offered through the institution if available, or ~~may instead, at the discretion of each institution, present evidence of otherwise obtain~~ health insurance coverage that ~~is at least substantially equivalent to the health insurance coverage offered through the~~meets required state and federal standards. ~~Each institution. Students without evidence of health insurance coverage shall be ineligible to enroll at the institution. shall take into account student needs and internal resources in the development and management of their student health insurance program.~~

i. Students shall ~~presenting~~ evidence of health insurance coverage ~~not acquired through the institution shall~~ by ~~provide~~ing at least the following information:

- 1) Name of health insurance carrier
- 2) Policy number
- 3) Location of an employer, insurance company or agent who can verify coverage

ii. Each institution shall monitor and enforce student compliance with this policy.

iii. ~~Each institution shall develop procedures that provide for termination of a student's registration if he or she is~~ If a student is found to be out of compliance with this policy while enrolled at the institution. ~~Each institution, at its discretion, may shall~~ provide a the student ~~found to be out~~

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~~of compliance~~ the opportunity to come into compliance ~~before that student's registration is terminated,~~ Each institution shall develop procedures that provide for termination of a student's registration if he or she fails to come into compliance with this policy. Each institution ~~and~~ may provide that a student be allowed to re-enroll upon meeting the conditions set forth herein, and any others as may be set forth by the institution.