



MEETING OF THE BOARD OF GOVERNORS
Task Force on Pricing, Flexibility, and Affordability

September 29, 2022 at 11:30 a.m.
Via Video Conference and PBS North Carolina Live Stream
University of North Carolina System Office
Chapel Hill, North Carolina

AGENDA

- A-1. Welcome and Introductions..... Wendy Murphy
- A-2. Overview of Student Health Insurance in the UNC System..... Andrew Kelly
- A-3. National Trends and Best Practices in Student Health Insurance..... Andrew Kelly
Jake Baggot, University of Wisconsin-Madison
Dr. Katrin Wesner-Harts, University of North
Carolina Wilmington
- A-4. Adjourn

AGENDA ITEM

A-2. Overview of Student Health Insurance in the UNC System Andrew Kelly

Situation: Over the past two years, the Board of Governors’ Task Force on Pricing, Flexibility, and Affordability has examined policies and practices that shape the cost of attending a UNC System institution. Since 2010, those costs have included the cost of health insurance, which all UNC System students are required to have under Board policy. Students are required to enroll in the System’s student health insurance benefit plan (Student Blue, administered by Blue Cross and Blue Shield of North Carolina) or obtain a waiver by providing proof of reasonable coverage. The annual premium for Student Blue for 2022-23 is \$2,704 (including a \$20 administrative fee to the campus).

Background: Since 2010, the UNC System has required all students to have health insurance. The System has employed a “hard waiver” approach whereby students that cannot provide proof of reasonable coverage from an insurer are automatically enrolled in Student Blue. While access to quality health insurance is of critical importance to the student’s well-being and success, the cost of the student health insurance premium has increased substantially in recent years.

Throughout 2022, the UNC System Office has conducted an insurance billing feasibility analysis, which examines the status quo in student health insurance, the different approaches to student insurance, and opportunities to improve student health insurance and billing.

Assessment: The task force will review the System’s approach to student health insurance and the implications for student affordability and health.

Action: This item is for discussion only.



Guidelines for UNC System Health Insurance Hard Waiver Plan Requirements

Background

The University of North Carolina implemented a system-wide hard waiver Student Health Insurance Program (SHIP) for all campuses beginning academic year 2010-2011. The hard waiver process established the criteria by which a student may waive participation in SHIP upon demonstration of creditable insurance coverage.

The hard waiver plan was created to address the variety of student health plans offered by campuses with different benefits, coverage levels, costs, and participation levels amid a growing population of UNC system students who were uninsured students or students who lacked adequate health insurance.

The Board of Governors unanimously approved the rationale and provisions for the hard waiver program and established a UNC System Consortium Student Health Plan in 2009.

The Office of Academic and Student Affairs oversees the program and consults with the Human Resources Department to develop procedures related to waiver requirements and plan administration.

Reasonable Coverage Requirements – All Students (Domestic and International)

The UNC System requires eligible students to have **active** and **verifiable** health insurance to waive out of the student health plan. The burden of establishing adequate health insurance rests with the student, which they can meet by providing evidence of the coverage they have through other avenues, including their parents, spouse, or employer.

The System uses the **federal definition of creditable coverage** as a threshold for valid insurance. However, the System does not restrict policies that do not meet the federal guidelines or are not fully ACA compliant.

Examples of such plans include religious plans, short-time policies, accident plans, indemnity, and ACA grandfathered health plans. While the examples provided are not inclusive, they serve to identify types of plans that may meet the reasonable coverage requirements.

As a general guideline, health insurance policies should include:

- Reasonable coverage for preventive and primary care, emergency services, hospitalization benefits, ambulatory patient services and or mental health services throughout the academic year
- Covered medical benefits and services shall be reasonably accessible for healthcare to the student in the area where the student attends school.

Additional Waiver Requirements for International Students

Beginning policy year 2015-2016, international student waiver criteria must meet federally required benefit thresholds as defined by the Code of Federal Regulations 22.CFR 62.14 to receive an approved waiver as highlighted below.

Amounts in US dollars	Update
Coverage minimum per accident/illness	\$100,000
Repatriation of remains	\$25,000
Per accident or illness deductible limit	\$500
Medical Evacuation	\$50,000

The 2009 UNC Board of Governors' minutes and overview of the hard waiver provision can be found at <http://www.northcarolina.edu/apps/bog/index.php>.

Updated September 2018



BlueCross BlueShield
of North Carolina

StudentBlue™

StudentBlueNC.com/UNCC



THE UNIVERSITY OF
NORTH CAROLINA SYSTEM



HEALTH PLAN FOR UNC CHARLOTTE STUDENTS | 2022-2023



A HEALTHY PLAN

for a successful future

The University of North Carolina System has selected Student Blue to provide you with quality health insurance coverage from Blue Cross and Blue Shield of North Carolina (Blue Cross NC). With Student Blue, you have low out-of-pocket costs and worldwide coverage.¹

All eligible students enrolled in UNC System universities are required to have health insurance coverage. The UNC System endorses a cost-effective Student Health Insurance Plan (SHIP) that covers additional health care expenses not included in the Student Health Fee. This plan is administered by Blue Cross NC. Each semester, the Student Health Insurance premium is added to all eligible students' university accounts. Eligible students must pay the premium and enroll, or complete the online waiver process with their own creditable insurance coverage before the deadline each semester. Once the waiver is verified and approved, the premium will be credited to the student's account.

Am I eligible for the UNC System plan?

Please refer to the plan's Benefit Booklet to review eligibility criteria. The Benefit Booklet can be found at StudentBlueNC.com/UNCC/benefits.

Deadlines to Waive/Enroll/Renew

Fall Semester Sept. 12, 2022

Spring Semester Jan. 31, 2023

2022-2023 MEDICAL PLAN

MEDICAL PLAN RATES ² Billed on a semester basis	Fall Semester Effective Dates 8/1/22 — 12/31/22	Spring Semester Effective Dates 1/1/23 — 7/31/23
Student	\$1,352.08*	\$1,352.08*

*A portion of the Student Health Insurance premium rate is retained by UNC Charlotte to pay for administrative costs.



BENEFIT highlights



StudentBlue™	If you visit your Student Health Center or doctor in the Student Blue network (in-network provider):	If you visit a doctor NOT in the Student Blue network (out-of-network provider):
	All dollar amounts and percentages are what you, as a plan member, would pay.	
Policy year deductible	\$0 at Student Health Center \$500 per insured member in-network	\$1,000 per insured member
Policy year out-of-pocket maximum	\$0 at Student Health Center \$4,000 individual	\$8,000 individual
Office visits Includes office surgery, X-rays and labs	Student Health Center: No charge	Not applicable
	Primary Care Provider: \$35 copayment	Primary Care Provider: 50% after deductible
	Specialist: \$70 copayment	Specialist: 50% after deductible
Teladoc®3	\$10 copayment	Not applicable
Preventive care Routine examinations, well-child care, immunizations, gynecological exams, cervical cancer screening, ovarian cancer screening, screening mammograms, colorectal screening, bone mass measurement, newborn hearing screening and prostate specific antigen tests (PSAs)	No charge at both Student Health Center and in-network	30% after deductible
Urgent care centers and emergency room Urgent care centers (Copayment waived if referred to ER.) Emergency room visit (Inpatient hospital benefits apply if admitted. If held for observation, outpatient benefits apply. See "Inpatient and outpatient hospital services.") Ambulance service	Urgent care centers: \$75 copayment	Urgent care centers: \$150 copayment
	Emergency room: \$500 copayment	Emergency room: \$500 copayment
	Ambulance service: 30% after deductible	Ambulance service: 30% after deductible
Inpatient and outpatient hospital services	30% after deductible	50% after deductible
Prescription drugs Up to 30-day supply. 31-60 day supply is two copayments, and 61-90 day supply is three copayments. Infertility, weight loss and sexual dysfunction drugs not covered by the plan. There is \$100 per drug minimum and \$300 per drug maximum for each 30-day supply of Tier 5 drugs.	\$15 for all 30-day prescriptions at Student Health Center regardless of Tier	Copayment + charge over in-network allowed amount
	Tier 1: \$20 copayment	
	Tier 2: \$35 copayment	
Mental health and substance use services Office visits Inpatient/outpatient	Tier 3: \$45 copayment	Benefits not available
	Tier 4: \$90 copayment	
	Tier 5: 25% coinsurance	
Vision care Preventive eye exam Lens and frame coverage (Reimbursement up to the benefit period maximum of \$200 for prescribed glasses – lenses and frames – and hard, soft or disposable contact lenses.)	Office visits: \$10 copayment	Office visits: 50% after deductible
	Inpatient/outpatient: 30% after deductible	Inpatient/outpatient: 50% after deductible
	Preventive eye exam: No charge	Benefits not available
Other services Skilled nursing facility (60 days per benefit period), home health care, durable medical equipment and hospice, maternity (maternity delivery includes prenatal and post-delivery care), transplants	30% after deductible	50% after deductible



ENROLL or waive coverage today!

Fall 2022 Open Enrollment period ends 9/12/22

All students eligible for the UNC System Hard Waiver Plan MUST enroll or waive coverage during the Open Enrollment period. Students who are enrolled by default will receive a policy with limited abortion benefits. In order to select additional benefits, you must actively enroll or call the number on your member ID to change policies prior to receiving services. No applications posted after Sept. 12, 2022, will be accepted without a qualifying event. Please refer to the online Student Blue Benefit Booklet for a complete list of qualifying events, as well as eligibility requirements and benefits.

Deadlines to Waive/Enroll/Renew

Fall Semester Sept. 12, 2022

Spring Semester Jan. 31, 2023

 **CALL** 1-888-351-8283

 **VISIT** StudentBlueNC.com/UNCC

 **CONNECT** @BCBSNCStudent

Deductibles, coinsurance, limitations and exclusions apply to this coverage. Further details of coverage, limitations and exclusions, and terms under which the policy can be continued in force will be provided in your Benefit Booklet.

What is Not Covered

The following are summaries of some of the coverage restrictions. A full explanation and listing of restrictions will be found in your Benefit Booklet, which can be found at StudentBlueNC.com/UNCC. Your health benefit plan does not cover services, supplies, drugs or charges that are:

- Not medically necessary
- For injury or illness resulting from an act of war
- For personal hygiene and convenience items
- For inpatient admissions that are primarily for diagnostic studies
- For palliative or cosmetic foot care
- For investigative or experimental purposes
- For cosmetic services or cosmetic surgery including treatment of or surgery for gynecomastia
- For custodial care, domiciliary care or rest cures
- For reversal of sterilization
- For treatment of sexual dysfunction not related to organic disease
- For self-injectable drugs in the provider's office

1 Members are covered in more than 200 countries and territories around the world through Blue Cross Blue Shield Global® Core. Blue Cross and Blue Shield Association. Online: www.bcbsglobalcore.com (Accessed May 2021).

2 Premium due for the mandatory Hard Waiver Plan must be paid through the student's UNC System school account.

3 Teladoc is an independent company that is solely responsible for the telehealth services it is providing. Teladoc does not offer Blue Cross or Blue Shield products or services. Teladoc interactive consultations are available 24 hours a day, 7 days a week. Telehealth services are subject to the terms and conditions of the member's health plan, including benefits, limitations and exclusions. Telehealth services are not a substitute for emergency care.

Teladoc does not replace your primary care doctor and is not an insurance product. Teladoc is subject to state regulations. Teladoc does not prescribe DEA-controlled substances and may not prescribe nontherapeutic drugs and certain other drugs which may be harmful because of their potential for abuse. Teladoc does not guarantee patients will receive a prescription. Health care professionals using the platform have the right to deny care if, based on professional judgment, a case is inappropriate for telehealth or for misuse of services. Teladoc and the Teladoc logo are registered trademarks of Teladoc, Inc. and may not be used without written permission. For complete terms of use, visit member.teladoc.com/terms/terms_of_use.

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Briefing Overview: Student Health Insurance
UNC Board of Governors
May 7, 2009
Updated: August 4, 2009

During the 2008-09 academic year, twelve UNC campuses secured health insurance under a UNC consortium implemented in August 2005 through Pearce & Pearce. They are: ECU, ECSU, FSU, NCA&T, UNCSA, UNCA, UNCC, UNCG, UNCP, UNCW, WCU, and WSSU. In this consortium, ECU and UNCW offered student health insurance on a voluntary basis to students; the remaining ten campuses had a “hard waiver” policy, i.e., students were required to purchase the campus student health insurance plan unless they demonstrated proof that they already had health insurance.

ASU and NCCU were not members of the consortium in 2008-09, or before, and procured student health insurance through UnitedHealthcare. For 2009-10, ASU has switched to Blue Cross/Blue Shield of North Carolina, and NCCU has switched to Pearce & Pearce and became the 13th member of the UNC consortium. ASU has a voluntary student health insurance program and NCCU has a hard waiver program.

UNC-CH and NCSU are not members of the consortium and procured student health insurance from Blue Cross/Blue Shield of North Carolina.

The different student health insurance plans across the sixteen campuses offer a wide variation in coverage, and cost. For example:

- Maximum basic benefits range from \$5,000 to \$250,000.
- Deductibles range from \$0 to \$350.
- Coinsurance (in-network) ranges from 100% coverage for reasonable and customary charges to 80/20% coverage.
- Some campus premiums are age-rated while others are not.
- Major medical/catastrophic coverage ranges from \$0 to unlimited.
- Co-pays for prescription drugs administered in student health centers vary substantially.
- Eligibility for participation in a campus plan varies by campus, usually based on the number of credit hours registered for that semester.

In light of the wide variety of health coverage offered through the student health plans, a request for proposal (RFP) was developed through extensive discussions with the Student Health Center Directors, NC Department of Insurance (NCDI), and the NC Association of Independent Agents (NCAIA). It was issued in November 2008. The RFP featured:

- “hard waiver” participation on all campuses so the size of UNC could be marketed and all students attending UNC would have health coverage from the UNC plan or another source,
- a common base benefits plan on all campuses that creates a foundation plan across all campuses that eliminated past variations in quality,
- “buy-up” options to increase coverage beyond the base plan that can be selected independently by each campus, and

- six pricing scenarios to assess the impact of the inclusion/exclusion of undergraduates and graduates on the premium rates.

The RFP tested whether better rates and coverage could be obtained for all UNC students using the common base student health insurance plan developed in conjunction with the campuses. Bids were sought under the assumption that all schools would follow a hard waiver policy with the belief that rates would be lower for most students under this alternative. The results of the RFP proved this to be true with bids in the \$549-\$679 range.

With this empirical knowledge in hand, the implementation date recommended for a hard waiver UNC student health insurance plan is fall semester 2010. The steps and timeline to accomplish this are:

- May 7, 2009: Board of Governors policy briefing on student health insurance addressed:
 - the state of health care in NC
 - the health needs of student populations
 - the importance of providing improved student health insurance
 - the impact of being uninsured
 - the changes coming to the State Health Plan and the potential impact on student choices for coverage
 - the reasons for a “hard waiver” approach
 - the relationship of the student health center fee to student health insurance
- May-June 2009: Campuses worked with NCDOI and NCAIA, or their current vendors, in extending their current student health insurance plans to cover 2009-10 as UNC prepares for a common hard waiver student health insurance plan beginning in fall 2010.
- May-August 2009: UNC GA meets with the Student Health Center Directors, Vice Chancellors for Student Affairs, NCDOI, and NCAIA in the development of a new RFP.
- August 13-14, 2009: UNC GA recommends that the Board of Governors approve a requirement that all campus student health insurance plans be “hard waiver” beginning in fall 2010.
- August 17-31, 2009: RFP is released by NCDOI / DOI.
- September-December 2009: The annual fall review of the student health center fee by campuses will have full knowledge of the decision to go “hard waiver” in fall semester 2010.
- November 2009: RFP vendor presentations to campus representatives, NCDOI, and NCAIA.

- December 2009: Based on a review of the RFPs, a vendor will be selected by UNC GA after consultation with campuses, NCDOI, and NCAIA.
- December 2009 - April 2010: UNC GA and campuses will work with the chosen vendor to have publicity materials available to continuing and new students, and to have the web-based waiver system up and running so it will be ready for freshman summer orientation sessions in summer 2010.
- Fall 2010: A common hard waiver student health insurance begins on all UNC campuses.

NOTE (as of August 4, 2009): There is an active discussion underway about health care and health insurance in the United States Congress. Some aspects of this discussion may affect the student health insurance plan; however, when that impact would occur is unknown at this time. Market changes that result from any national policy changes are being followed closely. In the interim, the development of an RFP for a “hard waiver” UNC student health insurance plan to begin in fall 2010 will continue. The timeline above provides some flexibility to assess the impact of any decisions by Congress before UNC selects a vendor.



STUDENT HEALTH INSURANCE OVERVIEW

Board of Governors Task Force on
Pricing, Flexibility, and Affordability
September 29, 2022

Outline

1. Recent efforts to examine student health and insurance
2. History and context: student health insurance in the UNC System
3. Trends in costs and enrollment
4. Review of select recommendations from forthcoming insurance feasibility study

Recent Efforts to Examine Student Health

- ***Healthy Minds, Strong Universities* report.** Resulted from Board of Governors' resolution on improving student mental health. Report documented the *increase in consumption of mental health and other student health services*, and conducted a preliminary analysis of student health financing, including insurance billing.
- **Insurance Billing Feasibility Study with Hodgkins, Beckley, and Lyon (HBL).** The *Healthy Minds* report recommended conducting an insurance billing feasibility study for student health. UNCISO contracted with HBL to conduct that study, including a national scan, site visits, examination of student health data from seven campuses, and a set of forthcoming recommendations. The project team examined current approach to student health insurance.
- **Analysis of Shared Models in Student Mental Health with Keeling & Associates.** The *Healthy Minds* report recommended examining the potential for shared approaches to psychiatric care and medication management to respond to increased consumption. The resulting report provided a detailed look at campus capacity, services, and utilization

History and Context for Student Insurance Requirement

Government Accountability Office (GAO) Study in 2008:

- 20% of college students (~1.7 million) lacked health insurance in 2006.
- Most (67%) college students covered through employer-sponsored plans (typically via parents).
- 7% covered through student health insurance (6% by Medicaid).
- 82% of public four-year universities offered student health insurance in 2008.
- 30% of sample of 340 colleges required students to have health insurance in 07-08

Student health insurance identified as a student success and affordability issue:

“...[C]ollege students represent one of the largest groups of uninsured or those lacking access to care. According to the American Medical Association, an astounding 23 percent of these students are uninsured. . . The result is that college students alone account for up to \$355 million in uncompensated care costs annually.”

--University Business Magazine,
March 2009

History and Context for the Student Health Insurance Requirement

Prior to 2010: Significant variation across campuses in student health insurance

- 2008-09: 12-campus consortium secured student health insurance; optional on two campuses, “hard waiver” at the other 10
- UNC-CH, NCSU, and ASU secured student health insurance on their own from BCBS NC;
- Maximum benefits levels, deductibles, co-insurance levels, and eligibility rules varied by campus and plan.

In 2009/10:

- UNC System Office outlined current state of student health insurance to the Board of Governors and recommends a “hard waiver” approach;
- In consultation with student health directors, DOI, and NCAIA, System develops an RFP that calls for:
 - “hard waiver” to maximize enrollment and keep costs low;
 - Base benefit plan across all campuses
 - “buy up” options for additional services.
- Board of Governors approves systemwide “hard waiver” approach to student health insurance beginning in Fall 2010.
- **Affordable Care Act passes in March 2010.**

“Hard Waiver” In Practice



Enroll In or Waive Student Blue

What you need to know:

- The University of North Carolina System requires eligible students to have health insurance.*
- If you have creditable health insurance coverage that is effective on or before **September 1, 2021**, you must waive the Student Blue coverage and provide proof of your coverage each university semester.
- **You will automatically be enrolled in, and billed for, Student Blue coverage unless you waive coverage by September 10.** If you have your own plan, make sure you waive Student Blue coverage by that date.
- Want to enroll in Student Blue coverage for Fall 2021 (effective August 1)? Enroll now in order to receive timely ID cards. Students enrolled by default will not receive ID cards until after the deadline.**
- Already covered under another Blue Cross and Blue Shield of North Carolina plan and want to keep it? You'll still need to waive the Student Blue coverage **each university semester**, or you will be automatically enrolled and charged for it.

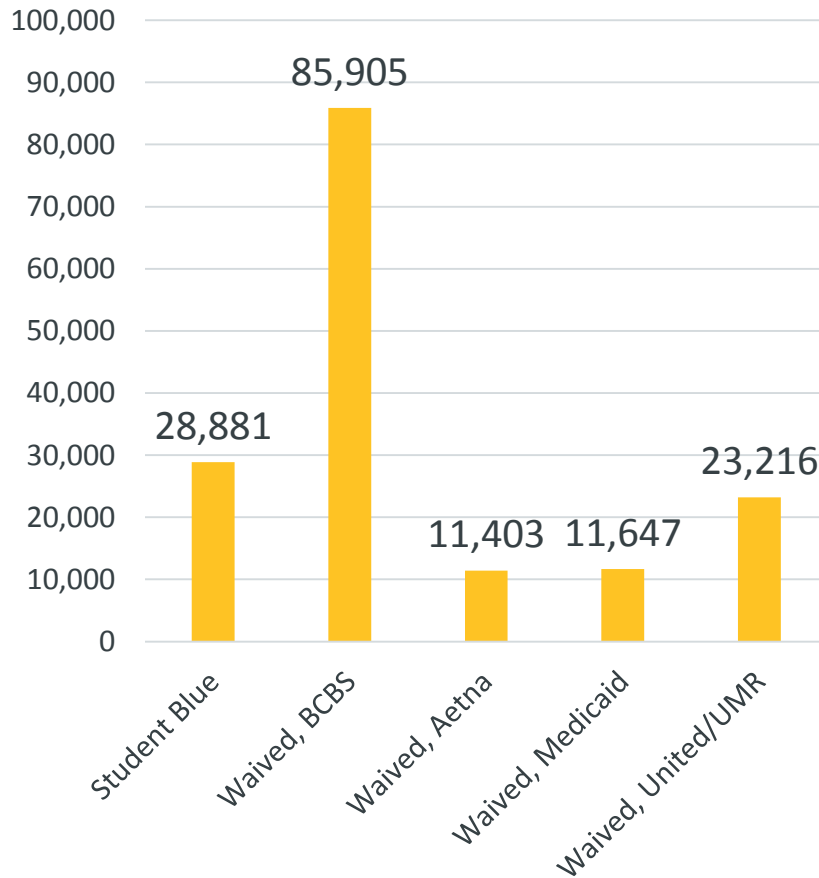
Student Blue and Associated Plans

Plan Detail	Student Blue	RA/TA (GSHIP)
Enrollment (Fall '21)	28,991	6,764*
Eligibility	All undergraduate and graduate students without proof of creditable coverage (student pays premium)	Only graduate students at UNC-CH or NCSU serving as RA/TA that meet minimum stipend amounts while enrolled full-time (university covers cost)
Level	Gold	Platinum
Deductible	\$500 (in-network) \$1,000 (out of network)	\$400 deductible in-network, \$800 out of network
Student Health Center Office Visits	No charge	No charge
Lifetime maximum	Unlimited	Unlimited
Out of pocket limits	\$4,000 per period (in-network)	\$2,000 per period (in-network)
Preventive Care	No charge	No charge
Urgent Care	\$75 in-network copay (\$150 out)	20% after deductible; 40% (out)
Emergency Room	\$500 copay	\$100 copay & 20% after deductible
Mental Health	\$10 in-network copay	20% after deductible

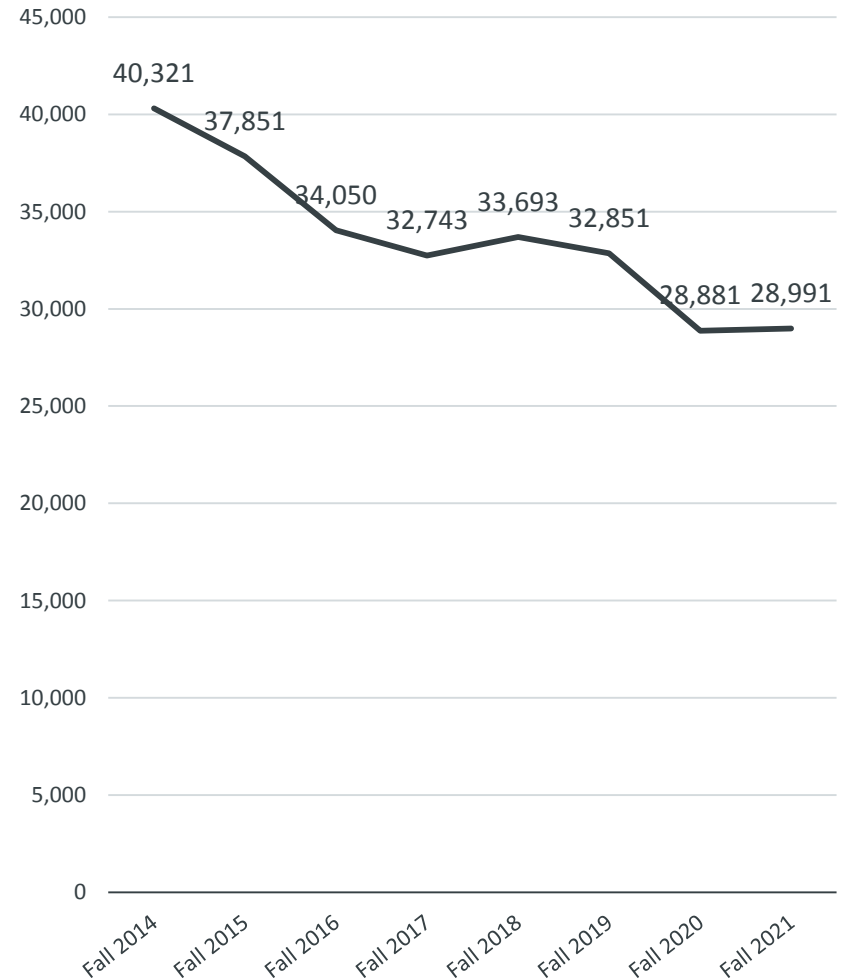
*Includes spouses and dependents. Does not include ~1,550 enrolled in Post-Doc plans available at CH, NCSU, ECU, NCCU, and Charlotte

Student Blue Enrollment

Student Health Insurance Coverage
(Major Providers, Fall 2020)

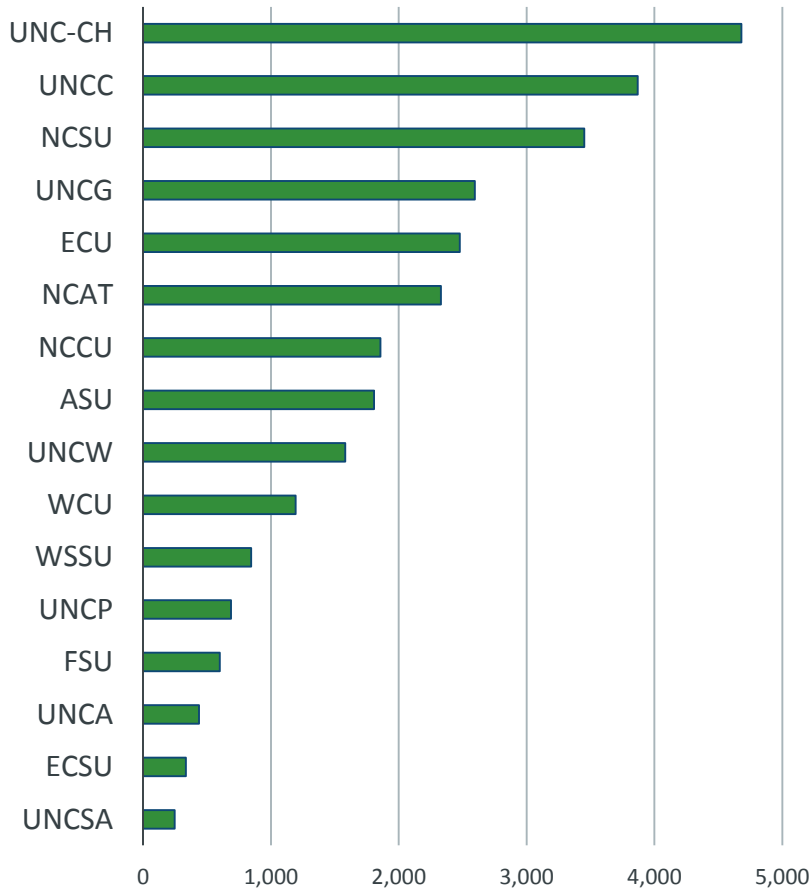


Enrollment in Student Blue Over Time

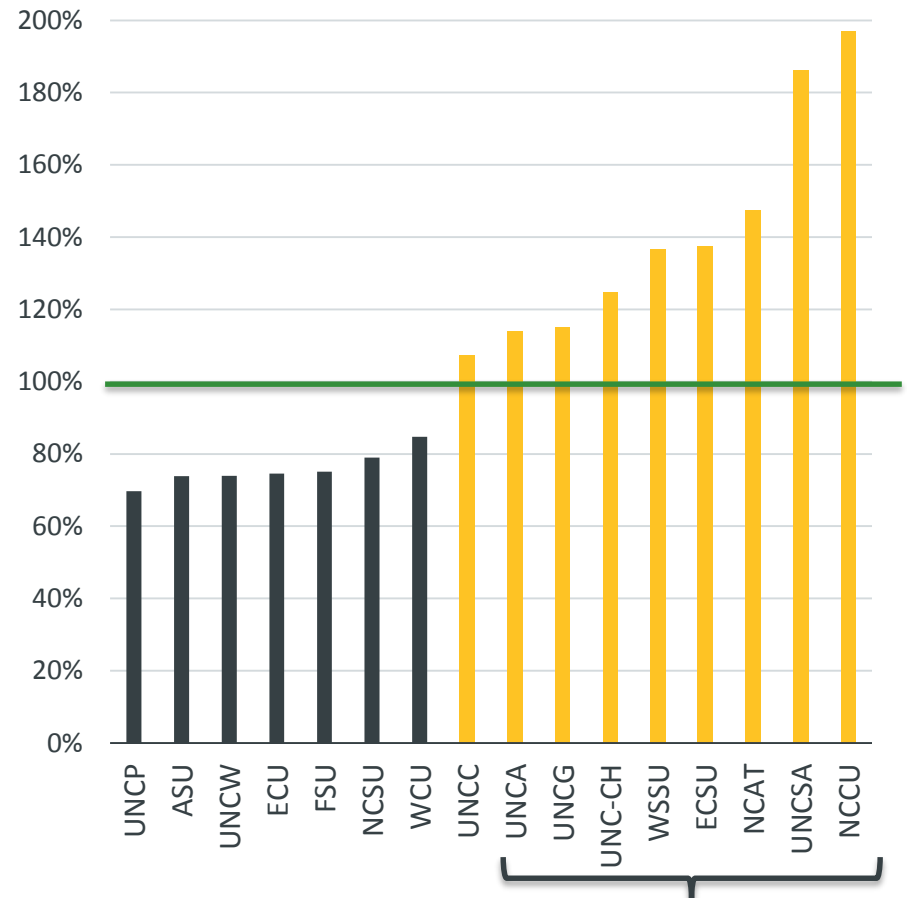


Student Blue Enrollment by Institution

Student Blue Enrollment by Institution
(Fall 2021)



Proportion of Student Blue Enrollment
Compared to Proportion of Overall Enrollment

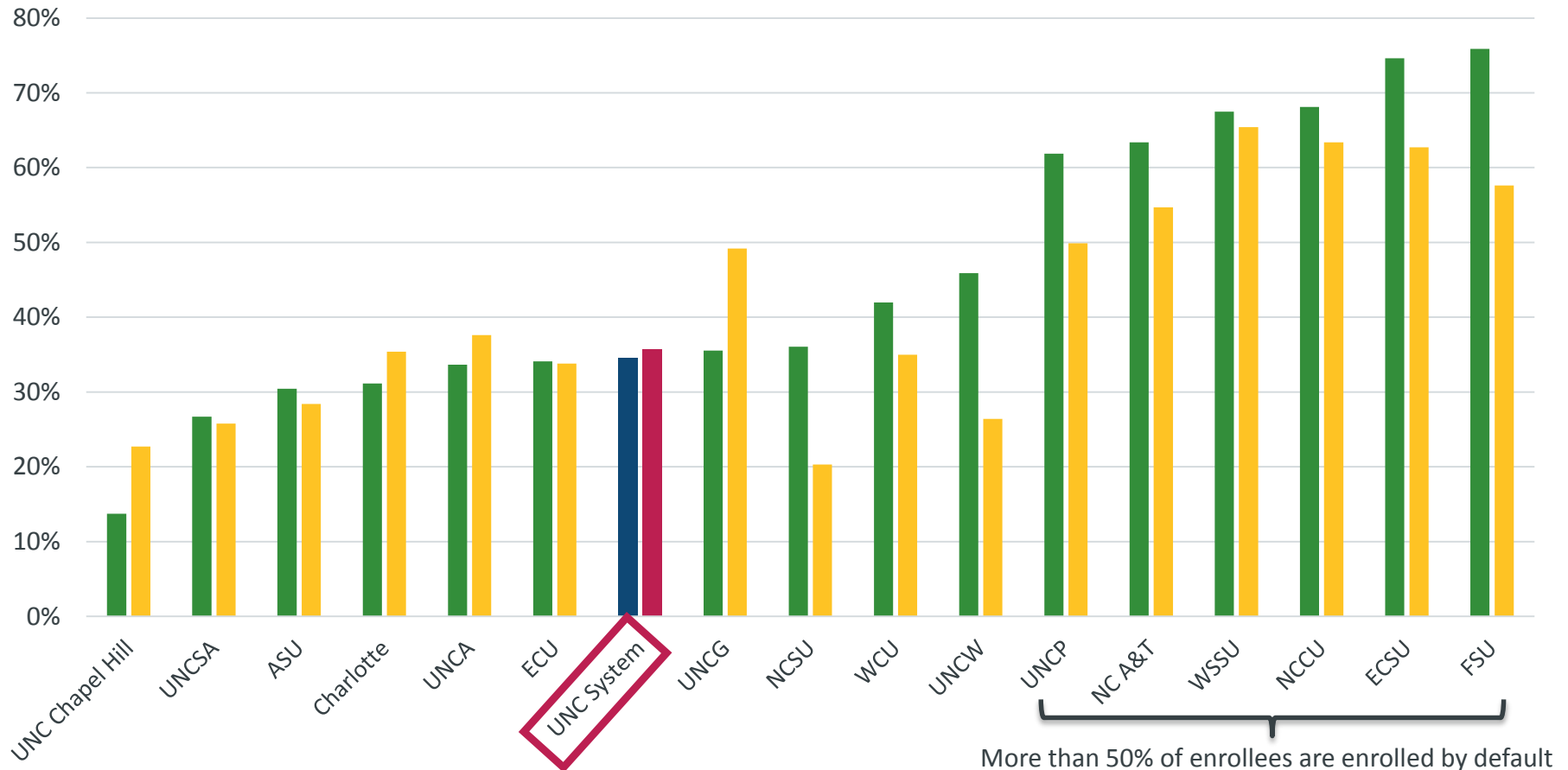


More students enrolled in Student Blue than enrollment would predict.

Enrollment by Default More Common at HMSI's

Percentage of Student Blue Enrollees that were Enrolled by Default
(Compared to Percentage Receiving a Pell Grant in Fall 2020)

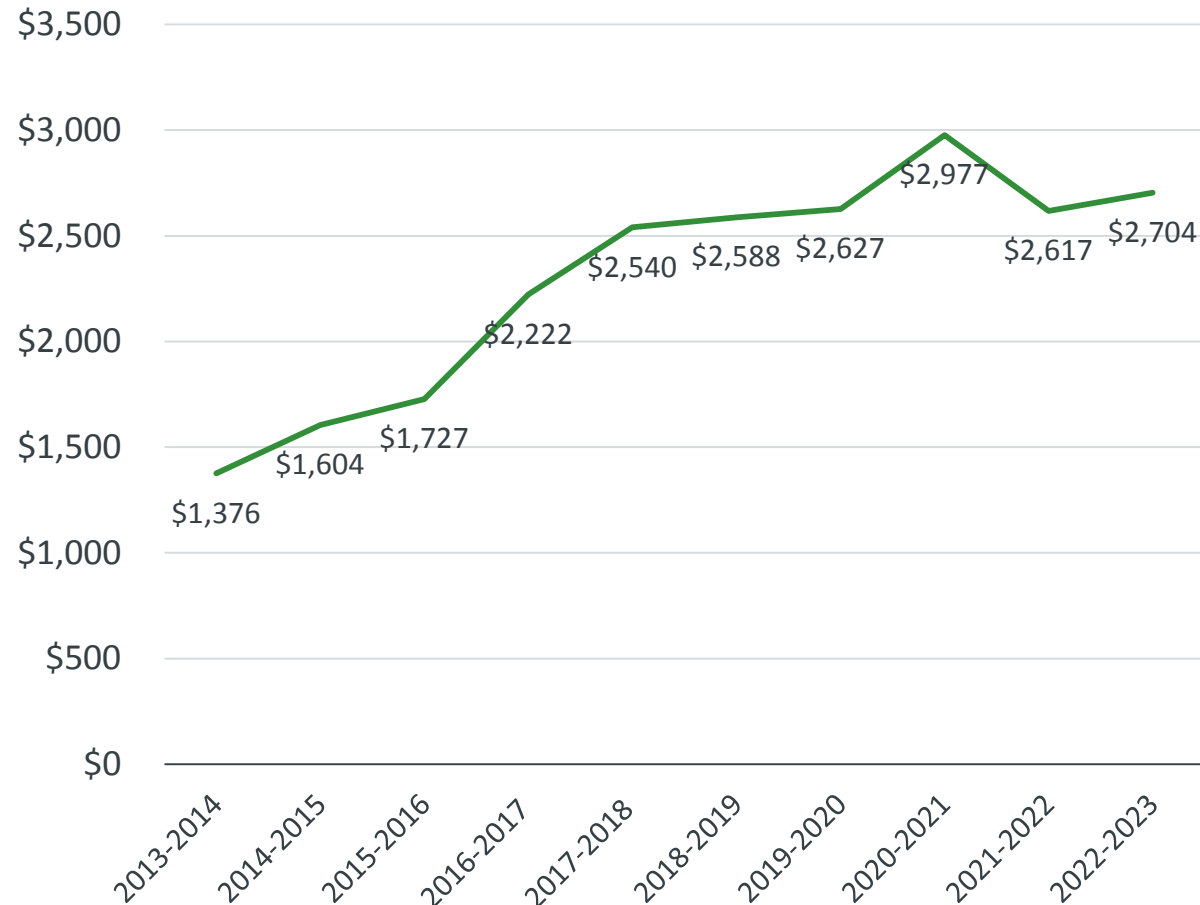
■ Percentage Default Enrollment ■ Percentage Receiving a Pell Grant



More than 50% of enrollees are enrolled by default

Student Blue Costs Over Time

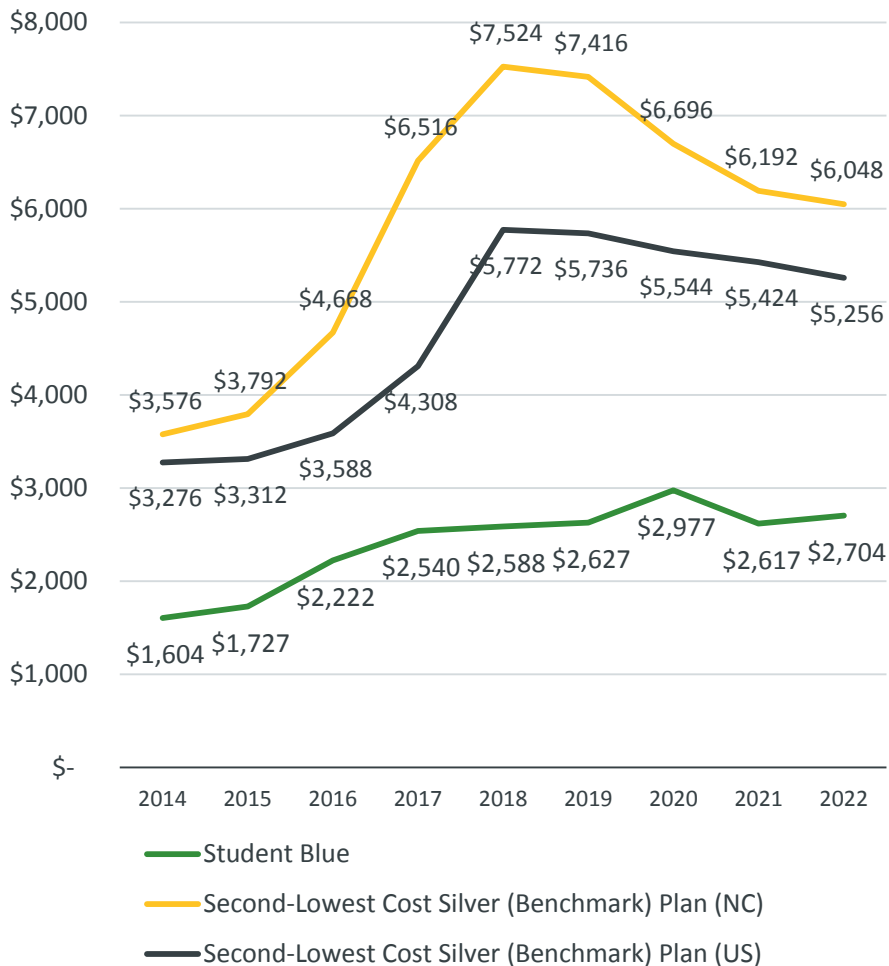
Student Blue: Annual Premium
(Includes \$20 Admin Fee to Campus)



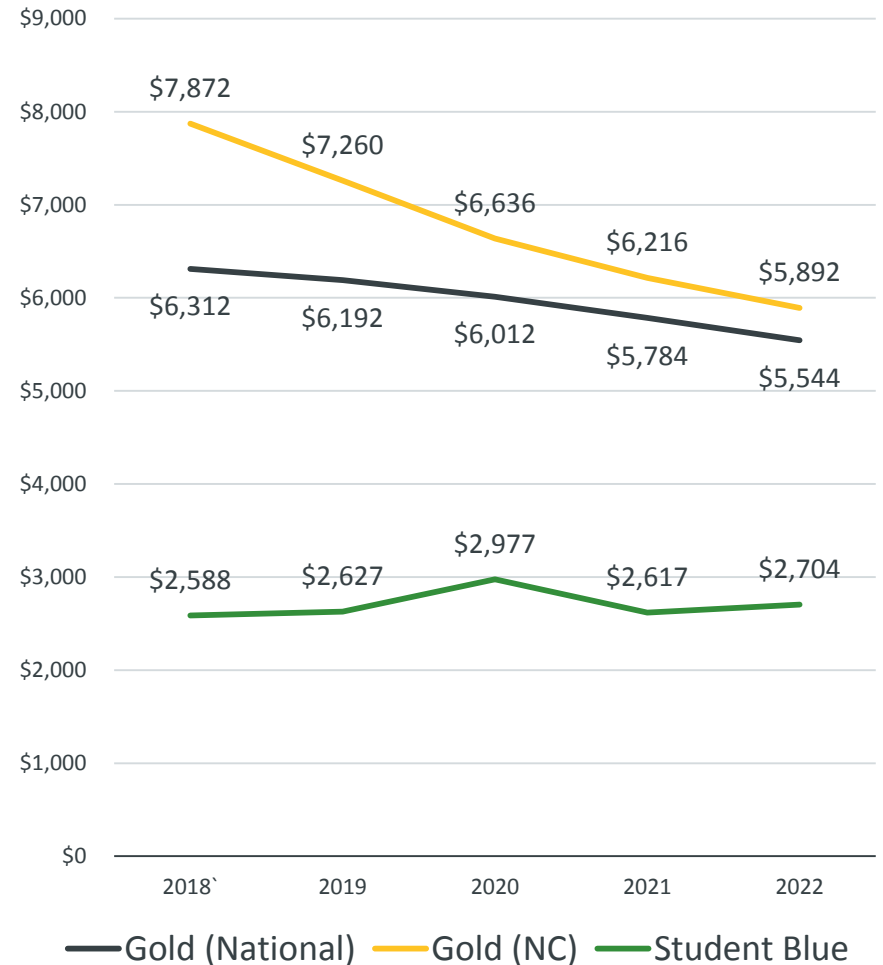
Category	2020/2021
Projected Claims	\$2,058.14
Admin. Costs	\$472.30
Pooling Charge	\$31.20
PPACA Taxes & Fees	\$25.92
Base Rate	\$2,587.56
Agent Fee	\$9.24
School Admin. Fee	\$20.00
Total Annual Premium	\$2,616.80

Student Blue in Context

Student Blue vs. "Benchmark" Plans on Marketplace



Student Blue vs. Lowest Cost "Gold" Plans



Student Blue in Context

System	Health Insurance Requirement for Domestic Students?	System-wide Health Insurance Plan?
University of California System	Yes. Students are required to have student health insurance and are automatically enrolled in UC SHIP	UC SHIP is a System-wide, self-funded plan. Plan includes Dental and Vision. Rates are distinct for Grad and Undergrad.
University of Texas System	Students enrolled at an institution with a medical or dental unit; otherwise, no requirement.	Students can enroll in SHIP through AcademicBlue (BCBS Texas)
University System of Georgia	Graduate Students receiving full tuition waiver; UG and Grad students enrolled in “programs that require proof of health insurance”	Mandatory students automatically enrolled in SHIP (United Healthcare); Non-mandatory students can enroll in SHIP.
SUNY System	No; SUNY policy delegates decision about mandating student health insurance to campus leaders	No
University of Tennessee System	No	Students can enroll in System-sponsored SHIP offered through United Healthcare
State University System of Florida	No	No

Student Blue vs. Other System-Sponsored Plans

Student Health Insurance Premia, Sample of System-Coordinated Plans



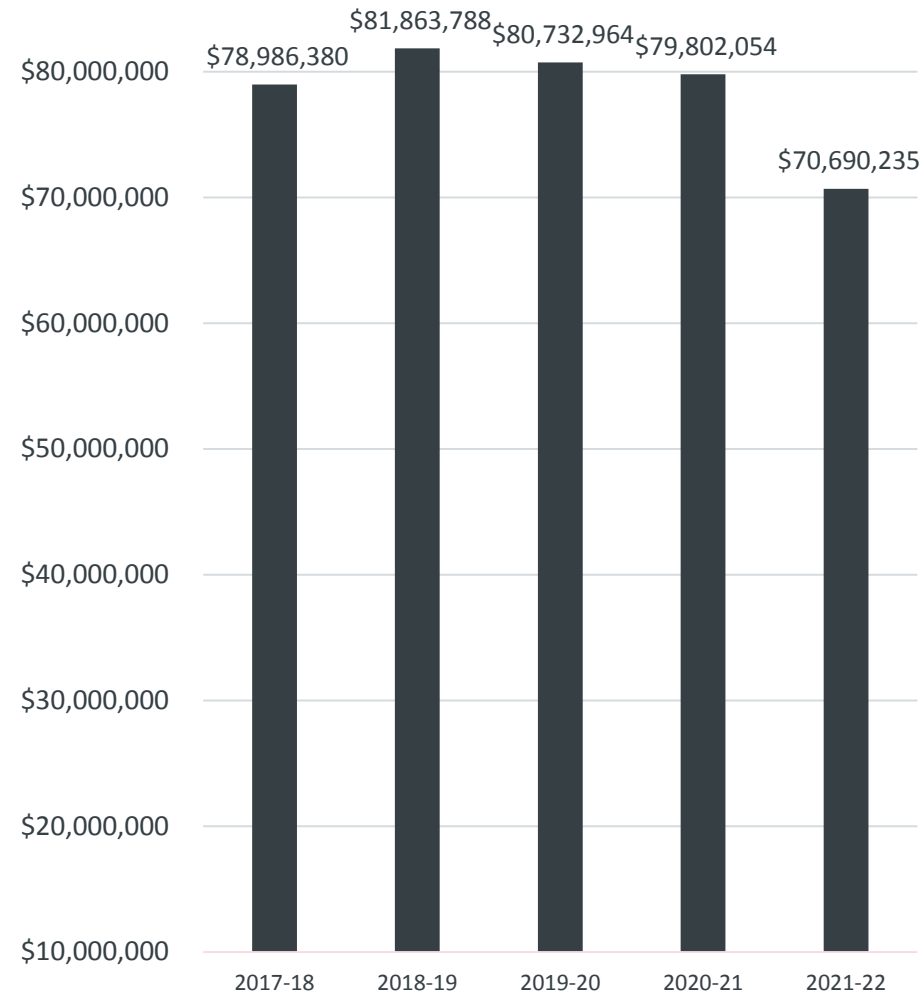
Student Blue vs. Other System-Sponsored Plans

Student Health Insurance Premia, Sample of System-Coordinated Plans



Total Funding for Student Plans is Substantial

Student Blue*
Fall and Spring Enrollment Times Premium



ACA requires health insurance issuers to submit data on the proportion of premium revenues spent on clinical services and quality improvement (Medical Loss Ratio, or MLR). It also requires them to issue rebates to enrollees if this percentage does not meet minimum standards.

The target MLR for Student Blue is 84%. Over the last three years, BCBS has provided rebates to students ranging from \$4.3m to \$1.47m.

CY	Student Count	Total Rebate Amt	Avg Rebate Amt
2019	44,858	\$3,800,818	\$84.73
2020	41,078	\$4,354,268	\$106.00
2021	39,644	\$1,472,889	\$37.15

Select Recommendations from Forthcoming Insurance Billing Feasibility Study

Near-term:

- Assess regulatory environment for potential changes like self-funding, etc.
- Review eligibility controls for Student Blue.
- Review student health service and administrative charges to System plans.
- Examine potential for Medicaid Premium Assistance to pay for cost of System-coordinated student health insurance benefit plan.

Select Recommendations from Forthcoming Insurance Billing Feasibility Study

Medium-term: *Convene a System advisory/governance group to examine SHS funding options and approach to insurance.*

Group should:

- assess the existing System-wide insurance requirement and the methods of operation and funding systems for UNCSO Plans.
- be made up of an array of stakeholders, most of whom are external to student health service.
- determine if the UNC System should have a fiduciary responsibility to operate its SHIBPs solely for the benefit of covered students (“dual hat doctrine”).
- **Key objective: obtain the lowest possible cost for Student Blue.** “The lowest cost for a [student health insurance benefit plan] is achieved by actions that will result in having an optimal spread of risk. Although it is counter-intuitive, providing a greater level of benefits (e.g., platinum), combined with effective marketing, can reduce costs by expanding enrollment and reducing the level of adverse selection against the plan. Alternatively, trying to contain SHIBPs costs in a never-ending spiral of cost shifting to students through coverage reductions is likely to be the least effective strategy for long-term program and cost stability.”

Select Recommendations from Forthcoming Insurance Billing Feasibility Study

Longer-term: *Consider and Implement Self-Funding for UNCS Plans*

- “Given that total premium expenditure for UNC System Plans exceeded \$100 Million for the 2021-22 plan year, an implementation plan for adopting a self-funding arrangement, either Minimum Premium or some form of Administrative Services Only (ASO) arrangement, should be developed. This would be based on consolidating the three separate UNC System Plans that would cover undergraduate and graduate students, RA/TAs, and Post-Docs. The implementation plan should include plan governance and other recommendations noted in the preceding sections.”
- “A consolidated self-funded plan could produce substantial savings (typically 7 to 10 percent of premium) that can appropriately be used to fund dedicated staff at UNCSO to manage and market the program and fund other costs incurred for the sole benefit of covered students.”
- “It is important to note that self-funding, absent capitalization of reserves from the college, often costs more than maintaining a fully insured funding arrangement in the initial years of plan operation.”

QUESTIONS?

CONNECT



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AGENDA ITEM

- A-3. National Trends and Best Practices in Student Health Insurance Andrew Kelly
Jake Baggot, University of Wisconsin-Madison
Dr. Katrin Wesner-Harts, University of North Carolina Wilmington

Situation: Over the past two years, the Board of Governors’ Task Force on Pricing, Flexibility, and Affordability has examined policies and practices that shape the cost of attending a UNC System institution. Since 2010, those costs have included the cost of health insurance, which all UNC students are required to have under Board policy.

Background: Universities and university systems employ a variety of approaches to student health services and student health insurance benefit plans. Some universities do not have an insurance requirement and pre-fund student health services using revenue from the student health fees. Some require students to have insurance, partner with private insurers to develop a student plan, and bill participating insurance providers for services delivered on-campus. And other university systems have leveraged their scale to develop self-funded student health insurance plans for students in need of coverage.

Over the past year UNC System Office has examined the various models for student health insurance and insurance billing with the help of external experts.

Assessment: The task force will hear from Dr. Katrin Wesner-Harts, the Director of the Student Health Center at the University of North Carolina Wilmington and Jake Baggott, Associate Vice Chancellor for Health and Wellbeing at University of Wisconsin-Madison on national trends in student health insurance, the strengths and weaknesses of different approaches to student health insurance, and the opportunities for the UNC System to improve student affordability while maintaining student health.

Action: This item is for discussion only.

Jake Baggott

Jake Baggott joined the University of Wisconsin–Madison (UW-Madison) in May 2019 as the associate vice chancellor for Health & Wellbeing and executive director of University Health Services. In addition to serving as the campus chief health officer, he provides leadership for medical, counseling and prevention departments within University Health Services and oversight of Recreation and Wellbeing. Baggott has more than 35 years of experience in student health and wellbeing and student affairs. Prior to his role at UW–Madison he served as the Assistant Vice President for Student Health & Wellbeing at the University of Alabama at Birmingham (UAB). Prior to UAB, Baggott served in leadership roles for nearly three decades at Southern Illinois University (SIU), including serving as the Chief of Staff to the Chancellor and a progressively successful 25-year career as an administrator in the SIU Student Health Center.

A first-generation college student, Baggott is a three-degree graduate of SIU, including the recipient of an advanced degree in Legal Studies from the SIU School of Law where he specialized in Health Law & Policy. Baggott has served in numerous leadership positions at the ACHA national and affiliate level including serving as ACHA's president and nine years on the ACHA Board of Directors. He has been actively involved in advocacy for the association since 2008 on multiple issues. Baggott is an inaugural faculty member of the ACHA Leadership Institute and a Program Consultant for the Association. In 2012, he was named a Fellow of the American College Health Association and in 2018 was named the recipient of ACHA's Edward Hitchcock Award for Outstanding Contributions in College Health. Baggott also completed a 22-year military career in the US Army and Army National Guard, retiring at the rank of First Sergeant in 2003.

Dr. Katrin Wesner-Harts

Dr. Katrin Wesner-Harts has served as the Director of the Student Health Center at the University of North Carolina Wilmington since 2007. Katrin was named a Fellow of the American College Health Association (ACHA) in 2015 and served as the 2019-2020 national ACHA President. She is a graduate of the 2022 HERS Philadelphia Leadership Institute.

Katrin has a BS in Psychology from Carnegie Mellon University, an MS in Psychology from Rensselaer Polytechnic Institute, and an EdD in Educational Leadership/Higher Education from UNCW. Her research interests include emergency preparedness, emergency management, and trans students' success.