

January 17, 2023 at 4 p.m.
Via Videoconference and PBS North Carolina Livestream
UNC System Office
223 S. West Street, Suite 1800
Raleigh, North Carolina

AGENDA

- A-1. Approval of the Minutes of December 16, 2022 Wendy Murphy
- A-2. Consideration of Resolution on Student Health Insurance Wendy Murphy
- A-3. Adjourn

DRAFT MINUTES

January 17, 2023 at 4 p.m.
Via Videoconference and PBS North Carolina Livestream
University of North Carolina System Office
223 S. West Street, Suite 1800
Raleigh, North Carolina

This meeting of Task Force on Pricing, Flexibility, and Affordability was presided over by Chair Wendy Murphy. The following committee members, constituting a quorum, were also present in person or by phone: Art Pope, Carolyn Coward, David Powers, Jimmy Clark, Michael Williford, and Ray Palma.

Staff members present included Dr. Andrew Kelly and others from the UNC System Office.

1. Call to Order and Approval of December 16, 2022, Session Minutes (Item A-1)

The chair called the meeting to order at 4 p.m. on Tuesday, January 17, 2023, and called for a motion to approve the open session minutes of December 16, 2022.

MOTION: Resolved, that the Committee on Strategic Initiatives approve the open session minutes of December 16, 2022, as distributed.

Motion: David Powers
Motion Carried

2. Opportunities to Improve Student Health Insurance in the UNC System (Item A-2)

Dr. Kelly introduced the guest speakers, Stephen Beckley and Valerie Lyon, of Hodgkins, Beckley, Lyon and Associates, and David Liggett, of Ragsdale Liggett PLLC, an attorney with expertise in insurance law and regulation in North Carolina. Beckley and Lyon gave a presentation on the research and analysis they conducted as consultants on insurance feasibility. The presentation discussed the benefits, risks, and necessary next steps the Board and System Office must consider in exploring a self-funded student insurance plan for the UNC System. The task force agreed to reconvene in January to vote on a resolution.

3. Adjourn

There being no further business and without objection, the meeting adjourned at 4:47 p.m.

Wendy Murphy, Chair

AGENDA ITEM

A-2. Consideration of Resolution on Student Health Insurance.....Wendy Murphy

Situation: Over the past two years, the University of North Carolina 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 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). In December, the task force received a briefing on the opportunity to improve the affordability and efficiency of student health insurance by moving to a self-funded plan.

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, a fully insured plan offered through Blue Cross and Blue Shield of North Carolina. 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.

In 2022, the UNC System Office worked with external consultants to conduct an insurance billing feasibility analysis. The study’s recommendations included a suggestion that the System consider the benefits of moving to a self-funded student insurance plan as many other universities and Systems across the country have done.

In December, the task force heard a presentation from Steven Beckley and Valerie Lyon, two of the consultants who conducted the insurance feasibility analysis, as well as David Liggett, an attorney with expertise in insurance law and regulation in North Carolina. The presentation focused on the benefits, risks, and necessary next steps the Board and System Office must consider in exploring a self-funded student insurance plan for the UNC System. The chair directed System Office staff to develop a resolution for the task force to recommend to the Committee on Budget and Finance.

Assessment: The task force will consider a resolution that calls on the System Office to develop an implementation plan for a self-funded student health insurance program.

Action: This item requires a vote of the task force and a vote of the full Board of Governors.



**RESOLUTION OF
THE BOARD OF GOVERNORS OF
THE UNIVERSITY OF NORTH CAROLINA
January 19, 2023**

WHEREAS, the Board of Governors has set goals to reduce student debt by limiting increases in the cost of attendance; and

WHEREAS, since 2010 those costs have included student health insurance coverage under a Board of Governors requirement that all students have health insurance; and

WHEREAS, the University of North Carolina System has contracted with Blue Cross and Blue Shield of North Carolina to provide a fully insured health plan (Student Blue) to all students and acts as a default for students who do not waive coverage by providing proof of insurance; and

WHEREAS, over the course of 2021-22, the University of North Carolina System Office partnered with external experts to conduct a study of student health insurance billing and best practices; and

WHEREAS, based on the size and scope of the existing student health plan and experience in other university systems, the study recommended that the Board of Governors consider developing a self-funded student health insurance program to reduce administrative expense, enhance affordability, and increase flexibility and access to care; and

WHEREAS, the Task Force on Pricing, Flexibility, and Affordability has discussed the potential benefits and risks of developing a self-funded plan, along with reforms to state statutes, policy and regulation that may be necessary;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Governors calls on the President and System Office staff to develop a proposed implementation plan for a self-funded student health insurance program to be presented to the Committee on Budget and Finance for review and approval no later than its November 2023 meeting; and

BE IT FURTHER RESOLVED, that the implementation plan shall include a summary of the potential benefits and risks of moving to a self-funded model, including lessons learned from other universities that have done so; an actuarial study of projected claims and premium costs; estimates of necessary funding reserves, costs of stop-loss coverage, and savings to students and the System; identification of the administrative capacity necessary to run a self-funded student

health plan and the options for administering such a program; and any other information that the Board requires to decide on the appropriate course of action; and

BE IT FURTHER RESOLVED, that the Board of Governors calls on the President and System Office staff to identify and develop any policy and regulatory changes that are a necessary precondition to implementing a self-funded plan and present those to the Board for review.

This the _____ day of _____ 2023

Randall C. Ramsey, Chair

Meredith R. McCullen, Secretary