RESOLUTION OF
THE BOARD OF GOVERNORS OF
THE UNIVERSITY OF NORTH CAROLINA
January 19, 2023
Student Health Insurance

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 19 day of January 2023

[Signature]
Randall C. Ramsey, Chair

[Signature]
Meredith R. McCullen, Secretary