

[In these minutes: AHC Student Health Insurance]

## ACADEMIC HEALTH CENTER STUDENT CONSULTATIVE COMMITTEE (AHC SCC) MINUTES

WEDNESDAY, NOVEMBER 4, 2009

5:00 - 6:00 p.m.

488 CHILD REHAB CENTER

[These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions, or actions reported in these minutes represent the view of, nor are they binding on the Senate, the Administration, or the Board of Regents.]

PRESENT: Daniel Stein, chair, (Twin Cities Medical School-2<sup>nd</sup> Year), Paul Anagale (Medical School-Duluth), Ganesh Babulal (Occupational Therapy), Nathan Bell (Clinical Lab Sciences-Twin Cities), Brandon Burk (Pharmacy-Duluth), Rebecca Klismit (Pharmacy-Twin Cities), Megan Meyer (Dental Therapy), Eden Sonn (Nursing-Rochester), Paul Syverson (Veterinary Medicine), KauChee Vang (Clinical Lab Sciences-Rochester), Andy Wicks (Physical Therapy), Tanya Wilber (Dental Hygiene)

REGRETS: Robb Garni (Dentistry), Meghan Mason (Public Health)

ABSENT: Meredith Lukasek (Nursing-Twin Cities)

GUESTS: Barbara Brandt, Frank Cerra, David Golden, Sue Jackson, Brianne Keeney, Duncan Okello

I). Daniel Stein called the meeting to order and welcomed all those present. He went on to introduce two new members of the committee, Nathan Bell (Veterinary Medicine) and KauChee Vang (Rochester – Clinical Lab Science).

II). Mr. Stein noted the main agenda item for today's meeting is the University-sponsored Academic Health Center Student Health Benefit Plan (hereafter AHC-SHBP) discussion. He called on Erik Scharrer and Ken Dpdd. who brought this issue forward at the October 7 meeting, to provide background information. Mr. Scharrer began by outlining concerns that have been raised with respect to the AHC-SHBP:

- Waiver requirements for opting out of coverage.
- Plan cost.
- Lack of choice.

In order to waive AHC-SHBP coverage, the University only accepts:

- A United States-based employer-sponsored group health plan;
- The University-sponsored Graduate Assistant Health Benefit Plan; or,
- Minnesota Care

According to Mr. Scharrer, the current system is not only very restrictive, but it lacks transparency. To support his argument, Mr. Scharrer cited an example whereby two students with the same employer-based coverage applied to waive coverage, and one was granted the waiver and the other was not.

To set the stage for today's discussion, Dr. Cerra emphasized the importance of having a basic understanding of the business of insurance. He noted that while it may come as a surprise to many, the age group generally covered by the AHC-SHBP is at higher risk for use of many medical services/procedures as compared to other age groups. The AHC-SHBP provides affordable coverage for the unique needs of AHC students. Susann Jackson, director, Office of Student Health Benefits, added that when discussing health insurance it is critically important to be comparing apples to apples, and this is not easy to do. There are key differences between individual and group insurance plans. For example, group insurance plans tend to be less expensive because the risk is spread over a greater number of people. Individual plans, on the other hand, are often more expensive, and, in an attempt to keep premiums down, insurance companies that underwrite individual plans are more apt to deny coverage to individuals with pre-existing, previously diagnosed or other health problems.

In response to comments concerning the University's charge back policy for students who have lost coverage, Dr. Cerra stated that the University has administrative rules in place in order to avoid adverse selection, the tendency for people who are likely to file a claim wanting to purchase insurance only when they need it. While it is an oversimplification to say the non-sick pay for sick, this is more or less how insurance works. Dr. Cerra added that the AHC-SHBP is not a moneymaker for the University; the cost is the actual cost of the plan. AHC-SHBP administrative guidelines and policies have been put in place to keep the plan solvent and to facilitate its effective administration.

Ken Dodd reported having conducted a survey of other institutions to learn about their waiver policies. Based on the survey results, he noted that the University is the only institution with the requirement that students have employer-based group health coverage in order to opt out. As a result, Mr. Dodd suggested the University consider broadening its waiver policy. Dr. Cerra stated that these survey results do not necessarily reflect the entire truth of the matter. If the University

were to expand its waiver criteria, doing so would require an actuarial adjustment to the premiums. If more people are allowed to opt out of the AHC-SHBP, the premiums will go up for those participating in the program. When creating the AHC-SHBP, the University worked diligently to be able to offer a plan geared to meet the needs of AHC students, while keeping premiums affordable. The AHC-SHBP is significantly better than many employer-sponsored plans.

Throughout the course of the discussion, members were informed about the many benefits of the AHC-SHBP, which include, but are not limited to:

- Coverage for all immunizations.
- All AHC students are eligible to participate in the plan, including those with pre-existing conditions.
- Coverage while on international rotations.
- Comprehensive pharmaceutical coverage.
- Specifically designed to meet the unique needs of AHC students.
- Dental insurance.

Mr. Scharrer added that many students are also troubled by their lack of choice when it comes to insurance coverage. He noted that the limiting nature of the AHC-SHBP waiver criteria prohibits students from getting individual coverage, which may be less expensive. Comparing the University's employee health insurance plan, UPlan, with small group plans, Dr. Cerra stated that most small group insurance plans do not offer comprehensive coverage. In terms of the current AHC-SHBP, if a better plan is identified, the University would be willing to look at it and take it under advisement. Dr. Cerra reminded the committee that the current AHC-SHBP was developed in response to a request from AHC students.

Mr. Scharrer and Mr. Dodd once again proposed the idea of surveying AHC students about the AHC-SHBP. Copies of a draft survey were circulated to members. David Golden, director of public health and communications, Boynton Health Service, suggested that if a survey were to be conducted, consideration should be given to modeling the survey after a recent UPlan survey, which was quite comprehensive.

Dr. Cerra noted that health insurance is extremely complicated, and then explained how the UPlan was established. He stated the University formed a Benefits Advisory Committee (hereafter BAC) that advises the administration on UPlan benefit offerings. This committee is comprised of faculty, P&A, Civil Service, Bargaining Unit, retiree, and ex-officio members. The BAC advises the Administrative Working Group (AWG), which makes recommendations to the President and/or Board of Regents regarding the administration of the UPlan. Dr. Cerra noted that the UPlan includes a base plan that offers low copayments and rates to employees who elect this plan. Alternatively, employees who want greater choice or access than what is provided in the base plan have the option of purchasing one of the "buy-up" plans. Individuals who elect a "buy-up" plan, however, must pay the cost differential for the increased access and choice.

In terms of the AHC-SHBP, Dr. Cerra reiterated that students requested this plan, and participated fully in the selection process for this plan. Ms. Jackson noted that similar to the structure set up to oversee the UPlan, there is a committee on the student side that meets regularly to advise the administration on the graduate/professional student health insurance and undergraduate health insurance offerings. This committee is comprised of graduate and undergraduate students.

In response to the suggestion by Mr. Scharrer and Mr. Dodd regarding offering two health insurance plans for AHC students, with higher risk students paying more, Dr. Cerra stated that the University does not offer health plans based on scope of medical coverage. Given that an overwhelming majority of people do not take the time to inform themselves about the covered services in the various plan options, to do so would simply create chaos.

In light of today's discussion, Dr. Cerra recommended the committee that advises on student health plans be divided into two separate committees, one dealing strictly with AHC-SHBP issues and the other dealing with undergraduate insurance issues. In light of the fact the coverage and scope of these plans are so different, they warrant two distinct committees.

Daniel Stein thanked today's guests and the committee for engaging in this informative health insurance discussion. He stated the next meeting will be on December 2, and the main agenda item will be to hear from Associate Dean Judith Buchanan concerning interprofessional education.

III). Hearing no further business, Mr. Stein adjourned the meeting.

Renee Dempsey  
University Senate