

Building a Student Health Insurance Plan



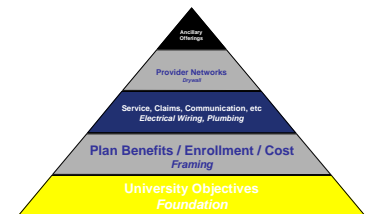
Meeting the Needs of your School

The Need for Student Health Insurance

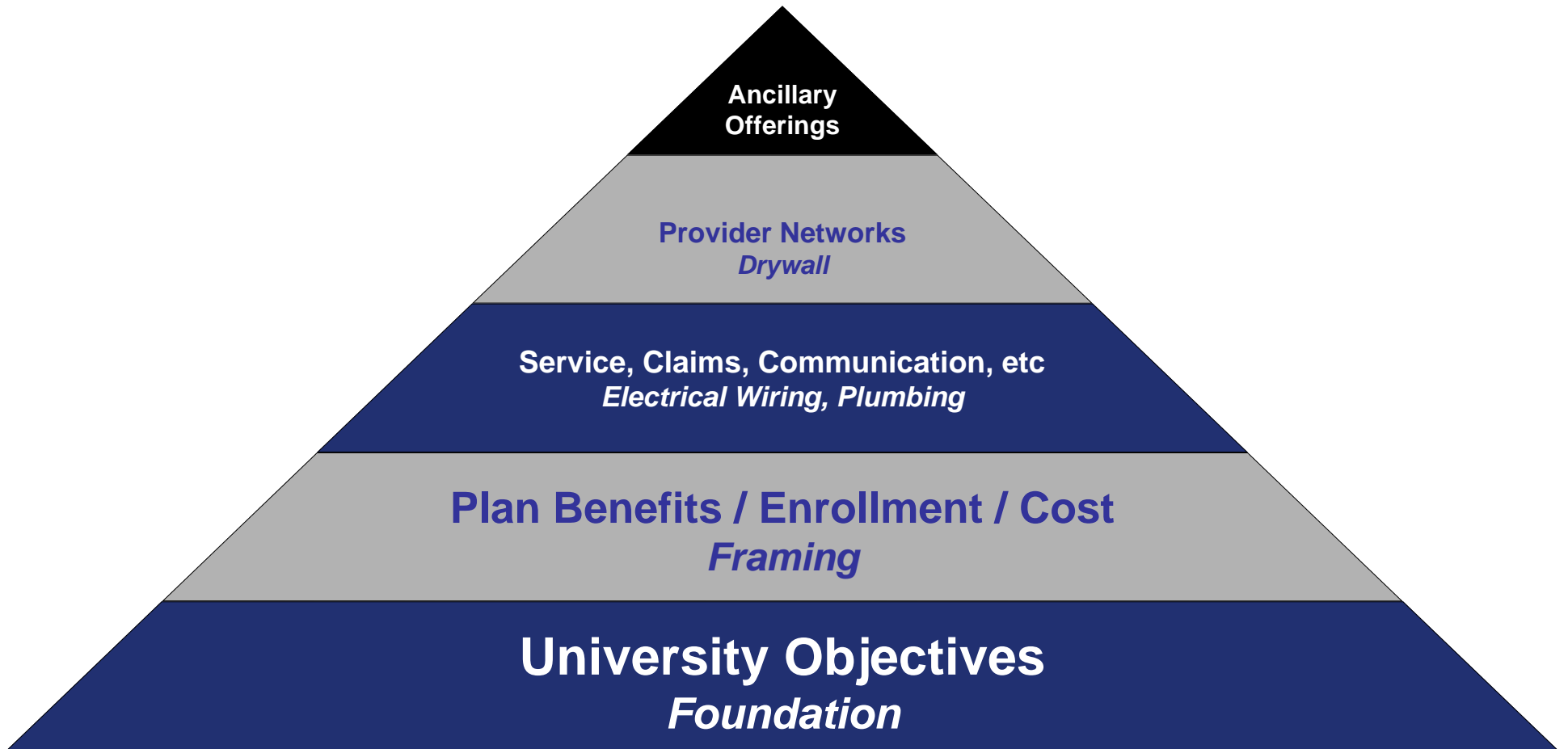


- Over 45 million people are uninsured in this country*
- Young adults (aged 18 to 34) are the least likely group to have health insurance. Over 30 percent of adults in this age group lack health insurance coverage. In 2003, 26 percent of adults age 25-34 years also lacked health insurance*
- Ensuring all students on campus have some form of health insurance decreases liability risks for on campus accidents
- Reduces possible hardships for students who experience health concerns throughout the school year
- Competitive advantage among peer institutions
 - Providing not only a valuable service to current students, but to prospective students as well

* According to the National Coalition on Healthcare (<http://www.nchc.org>)



Steps in Building a Student Health Plan

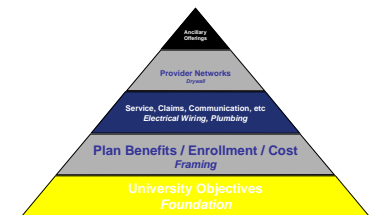


School Objectives



What is the School's overall mission and objectives for Student Health Care?

The foundation of any successful student health insurance plan begins with a clear articulation of the school's mission and its objectives for implementing a student health plan. This mission and its objectives will serve as the basis for the design of the school's Student Health Insurance Plan including benefits, policy provisions, enrollment methods, services, communications and any other ancillary offerings. Following are some key questions to ask as you work to develop your school's mission and objectives for student health insurance.

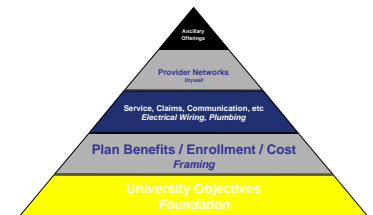


School Objectives (cont)



What type of plan do you want to provide?

- Is your approach to benefits more wellness/preventative in nature or designed to react to an unforeseen accident or sickness by a student (catastrophic)?
- Cost (catastrophic plan) is more important than benefits? Benefits (wellness/preventive) are more important than cost?
- How should your plan integrate with care provided by your Student Health Center?
- Should your plan utilize a provider network or direct contracts with local providers? Which provider network provides adequate access to providers? What are the network's average discounts?
- What ancillary product offerings do your students require?
- What are your peers offering? How should you position yourself among your peers.

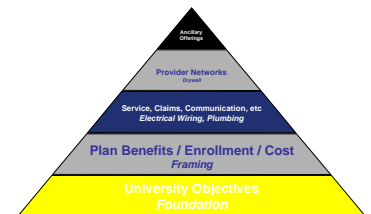


School Objectives (cont)



Who do you want to provide coverage to?

- Should you require all students attending school to have coverage or just have access to coverage (voluntary vs. hard waiver)?
- Should you cover only full-time students or should you include part-time students? What is the impact to the plan for covering part-time students?
- Should you cover student athletes while participating in their intercollegiate sport on your student health plan or maintain a separate sports policy?
- Should you require your international students to participate in your program or allow them to secure coverage elsewhere?



Plan Benefits



Benefit Levels

Building off of your school's student health care mission and objectives, the benefit offerings/levels should be consistent with satisfying your stated goals. The following are some key aspects to review in determining your plan offering.

Deductible

level

A flat amount the insured must pay before the insurer will make any benefit payments. What sends the right message for your plan?

Coinsurance

insured

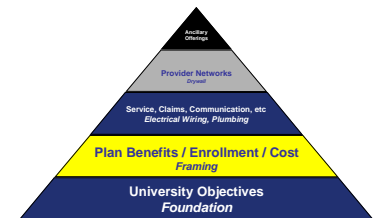
The percentage of the cost of treatment the is required to pay. What level sends the right message for your plan?

Co-pay

individual

level

A flat fee the insured must pay for certain medical services (i.e. a physician visit). Also used frequently under prescription drug plans. What sends the right message for your plan?



Plan Benefits



Benefit Levels *(cont)*

Internal Limits

A maximum payout limit for certain individual medical services (i.e. MRI/Cat Scans) that is less than the overall plan maximum. What level sends the right message for your plan?

Plan Maximum

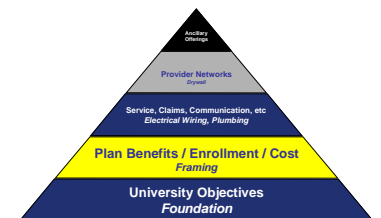
The total sum the insurer will pay for all medical services during a policy year. What level sends the right message for your plan?

Prescription Drugs

Can be provided in several different formats; subject to deductible and coinsurance; through the use of a co-pay (\$10 generic/\$20 brand); or through a discount program. What level sends the right message for your plan?

Out of Pocket Maximum

The maximum amount an insured must pay before the plan covers 100%.



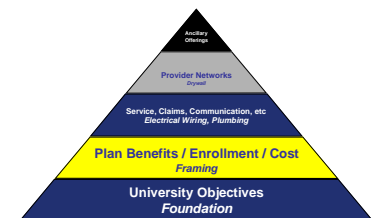
Plan Benefits



Benefit Provisions

As you are probably aware, student health insurance benefits are vastly different than traditional employer sponsored health insurance. But this is true not only in benefits but in legal and administrative aspects as well.

Because insurers traditionally file student insurance policies as blanket, rather than group, certain commonly assumed features of group insurance, such as HIPAA, COBRA, being Primary and no Pre-Existing Conditions, may not apply. It is crucial that these issues be addressed and taken into consideration when either building a new student health policy, or renewing your current one.



Plan Benefits



Benefit Provisions (cont)

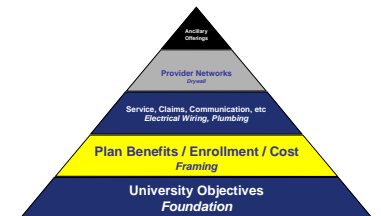
The following are some key provisions to review when building your plan:

Pre-existing Condition Limitation

A condition that existed prior to becoming insured for which benefits will not be paid until the insured has been covered for a specified period of time. What pre-existing limitation provision is right for you?

Policy Year vs. Per Occurrence

Student plans, unlike true group health plans may be written on a policy year or per occurrence basis. On a policy year basis, deductibles and any plan maximum limits are applied once during the policy year. On a per occurrence policy, deductibles and any plan maximum limits are applied on a per condition basis during the same policy year. Which approach is right for you?



Plan Benefits



Benefit Provisions (cont)

Excess Provision

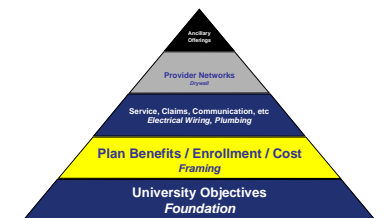
A provision that states no benefits are payable for a condition which is payable by other valid and collectible insurance. Every insured's first claim is investigated for other insurance. Is this provision right for you?

Break in Coverage

Not all states require student health insurance to allow for a 63 day break in coverage while still allowing an insured to be considered continuously insured. What does your state law say?

Exclusions

Conditions, situations and services not covered by the health plan. Should allergies be covered? Should learning disabilities (ADD) be covered? Should alcohol/drug abuse be covered? What exclusions fit/don't fit with your student health objectives?



Enrollment Methods



Eligibility

Who is eligible to be covered by your plan – full-time, part-time, graduate, international and what are the credit hour requirements.

Voluntary

Eligible students are not required to have insurance, but have access to the policy and may join freely.

Hard Waiver

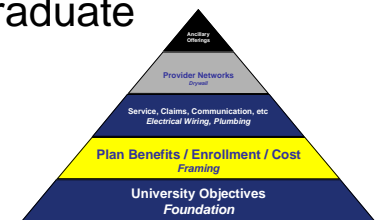
Eligible students are required to have health insurance, either on their own or through the school's policy. They are automatically billed on their student account for insurance unless they show proof of other insurance by the deadline.

Mandatory

All student are covered by the school plan, regardless of other insurance

Assorted

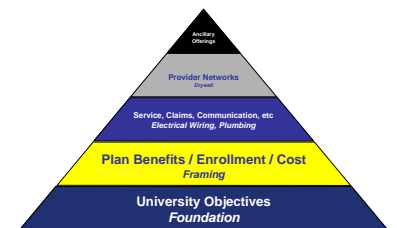
Vary enrollment method by class, i.e full time/ part time, commuter / resident, undergraduate / graduate, international, etc.



Student Health Center



- How should the Student Health Center (SHC) integrate with the insurance plan?
- Should the SHC bill the Student Health Insurance for services to insured students?
- Should the SHC act as a gatekeeper, i.e. require referral?
- Should there be penalties for non-use of the SHC?
- Should the SHC use the student insurance for funding, such as having a fee added onto the insurance premium or up charging for their services?



Financial



Rating Structure

differently?

Should your plan be composite (single rate for all students) or step rated by age? Should part-time students or intercollegiate athletes be priced

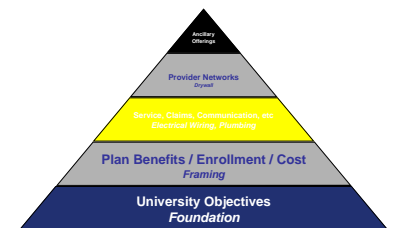
Funding

Fully Insured vs. Self Funded

Fully insured plans pass all of the financial risk along to the insurance carrier. With self funded programs, the university assumes some or all of the risk if claims exceed premium. Which is right for you?

Reporting Capabilities

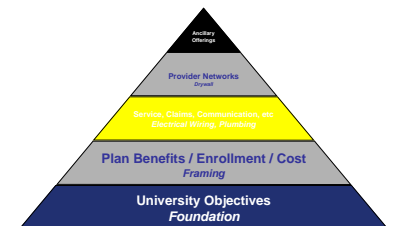
What information do you need to manage your plan and how frequently should you get that information? What information do you need to capture at enrollment to produce the proper management reports throughout the year? When you receive the management reports, who will help tell you what they mean?



Claims Adjudication



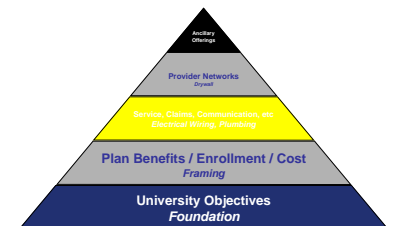
- Who pays the claims, the insurance carrier or an Independent third party? What are the potential impacts on your plan for each option?
- Does the claim payor have adequate staffing, training, systems and auditing?
- Does the claim payor employ electronic imaging and electronic claim submissions?
- What are the claim metrics the claim payor targets? How do they measure if they are meeting those targets?



Customer Service



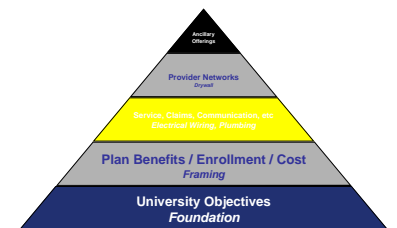
- Is there adequate access to customer service? Toll free number? E-mail? What are the hours of operation? Is there automated service available after hours?
- Is there adequate staffing and training in the customer service department?
- What are the customer service metrics? How do they measure if they are meeting those targets?
- Should you have your own toll free number or is the general customer service number acceptable?
- What customer service reports are available?



Communication



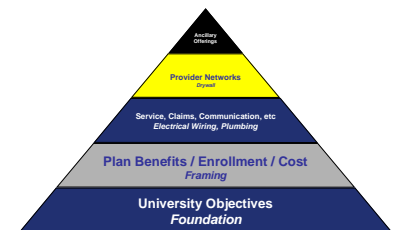
- How will benefits and enrollment be communicated to students and parents; direct mail, e-mail, flyers, student newspaper, on campus orientation meetings or some combination thereof?
- What are the lead times needed to produce communication materials? What is your timeline for distribution of communication materials?
- If your plan is “hard waiver” how will you communicate the plans requirements? How will the waivers be received and managed?
- How will student and parent questions be handled?



Provider Networks



- Does the provider network have access to enough providers and more importantly the right providers?
- Does the provider network have the desired local facilities?
- Are all of a particular facility's providers part of the network (i.e. radiology)? Many times where a facility uses a single provider for services such as radiology, that provider has no incentive to join the network and will therefore be out of network for your students.
- Is the network national?
- Coverage vs. discounts? What provider network provides the right balance of access and cost discounts?
- Are direct provider contracts a better route locally or can they be used to compliment the local provider network?



Ancillary Offerings



On-line Resources

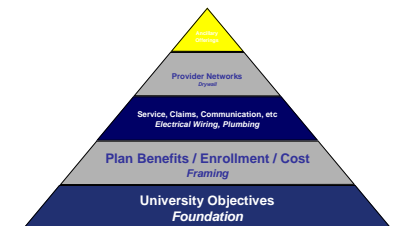
What type of on-line resources do you need; enrollment, waiver management, brochure review, print ID Cards, claim look-up, etc.

Travel Assistance

Does your plan need a travel assistance program? What level of medical evacuation and repatriation benefits do you need. Do you need other travel services such as; Hospital Admission Guarantee, Emergency Message Transmission, Prescription Assistance, Transportation to join patient, etc?

24/7 Nurse Triage Line

Is your SHC open 24/7? If not, maybe a 24/7 Nurse Triage Line would be a good compliment to your overall student health initiatives.



Ancillary Offerings (cont)



Health Education Materials

Health issues are unique for college students. Does your SHC or university have an on-line library of age appropriate health information targeted to college students on topics such as depression, allergies, relationships, etc? Can your current student health insurer provide this resource? Is the information properly screened for the audience?

Waiver Management Systems

If your school chooses to implement a hard waiver enrollment program, how will you manage waivers? What do you need to do to manage waivers?

