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Impact of Health Care Reform on College Students

The Lookout Mountain Group (LMG), a non-partisan study group of college health and higher education professionals, announced the following preliminary findings regarding the impact of the recently passed Patient Protection and Accountability Act (PPACA) and the related health care reconciliation act on college student health insurance/benefit programs (SHIBPs).

- From a long-term perspective, the ability of colleges and universities to provide appropriate access to health care is a major concern under the PPACA. While most students will be covered by some form of health insurance, the possibility of large numbers of students being covered by high deductible young adult plans and high deductible employer-sponsored plans is disconcerting to college health professionals. To date, experience with these types of plans is troubling, because students are often reluctant to obtain services that will have to be paid entirely out-of-pocket. The benefits consultants and attorneys advising the LMG suggest several components of the PPACA create significant incentives for employers to adopt high deductible plans.
- Many SHIBPs are operated using the same self-funded and direct health care provider contracting arrangements that are common for large employer-sponsored group health plans. Most important, a 2008 study by Watson Wyatt Consulting found that 27 percent of employers with more than 1,000 employees are providing on-site employee health clinics. Many of these clinics are operated in a manner similar to long-established college health and counseling services. Stephen L. Beckley, a health care management consultant in Fort Collins, Colorado, and a member of the LMG, stated that "Well-managed SHIBPs often return more than 90 percent of program funding dollars to students through benefit payments, comparable to the fiscal effectiveness of large employer-sponsored health plans." While only minor regulatory changes appear to be required for self-funded SHIBPs to exist beyond 2013, a statutory change is likely required for insurance companies to continue underwriting SHIBPs.

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The ability to offer a SHIBP that limits eligibility to a specific college's students was not included in the PPACA for fully insured plans. This same restriction does not apply to self-funded student plans.

- The expansion of dependent eligibility through age 26 on parental insurance is not expected to significantly reduce the need for effective SHIBPs. Experience with similar existing state mandates suggests that younger age students are most often purchasing high quality SHIBPs because of cost and benefit advantages, rather than for the potential loss of parental health insurance due to age limitations. Dr. Jack Turco, Director of Student Health Services at Dartmouth College and a member of the LMG, noted that "Undergraduate enrollment in Dartmouth College's Student Group Health Plan (refer to DSGHP web site on page three) has risen from 19 [percent] in 1999 to over 58 percent this year." The Wall Street Journal reported similar enrollment gains this past fall for SHIBPs that provide comprehensive coverage (refer to: <http://online.wsj.com/article/SB10001424052748704328104574515540338155728.html#printMode>). Jim Mitchell, spokesperson for the LMG and Director of Student Health Services at Montana State University, explained, "Students are enrolling in high quality SHIBPs because employers, over the past decade, have significantly shifted the cost for dependent coverage to employees." Mr. Mitchell also noted that students enroll in SHIBPs to assure they have full access to mental health care services, prescription medications, and other essential health care services that cannot be provided through on-campus health and counseling services.
- Another concern identified by the LMG pertains to the large number of international students enrolled at US colleges and universities. It does not appear that they will be able to buy coverage through the new insurance exchanges and the present limited duration policies covering international students will no longer be authorized to exist as of 2014.
- The Attorney General of New York's recent preliminary report identifying inappropriate practices for many SHIBPs is also a concern to the LMG. The LMG recommends that colleges and universities adopt the best practices of large employer-sponsored group health insurance plans, especially the fiduciary responsibility that requires acting solely in the best interests of covered students. The LMG strongly endorses colleges and universities providing high quality SHIBPs that fully comply with the standards endorsed by the American College Health Association (refer to http://www.acha.org/Publications/docs/Standards%20for%20Student%20Health%20Insurance%20Benefits%20Programs_Mar2008.pdf).

The Lookout Mountain Group identified model SHIBPs which include a diverse mixture of public and private colleges and universities with both large and small student populations, and located in all areas of the country. The LMG estimates that more than 500,000 students currently are covered by these highly effective programs. Colleges and universities with fully ACHA-compliant SHIBPs that attended the most recent LMG meeting in Boston on April 11, 2010, included:

University of California at Berkeley

<http://www.uhs.berkeley.edu/Students/insurance/index.shtml>

Northeastern University

<http://www.bluecrossma.com/nm/pdf/northeastern-university/northeastern-summary-benefits.pdf>

Ohio State University

<http://shi.osu.edu/>

University of Minnesota

www.shb.umn.edu

University of New Hampshire

<http://www.unh.edu/health-services/shbp/pdf/brochure2009-2010.pdf>

Illinois State University

<http://www.shs.ilstu.edu/insurance/benefits/>

Cornell University

www.gannett.cornell.edu/insurance

Dartmouth College

<http://www.dartmouth.edu/~health/depts/insurance/facts.html>

The Lookout Mountain Group will work with higher education associations and other interested parties to promote regulatory and, if necessary, statutory changes to the PPACA to assure the continued existence of high quality, cost effective SHIBPs.

The LMG's position paper on health care reform for the college student population is available at http://www.hbc-slba.com/LMG/LMG_abstract_3.5.pdf.