

Why require student health insurance?



A college education is a valuable asset. According to a Pew Research Center report¹, college graduates are earning more and have a lower unemployment rate. Among their findings, the wage gap between college graduates and those with only a high school diploma has grown significantly. Millennial college graduates (those between 25 and 32 years of age) who are working full time are earning about \$17,500 more a year than similar aged adults with just a high school diploma or GED.

Pew's research found 72% of employed Millennials with at least a bachelor's degree say their college education has already paid off, and another 17% believe it will in the future. These advantages aren't limited to Millennials — the Pew analysis showed college graduates enjoying the economic and career benefits of their degree across all generations. It was just most pronounced with Millennials.

Life, though, can sometimes throw obstacles into the path to a college degree. As you can see by the statistics in the sidebar at right, 32% of young adults in 2011 were unable to meet

debt obligations like tuition payments or student loans due to medical debt, and 31% delayed their education or career plans.

Students with unpaid medical bills aren't the only ones affected. It can have a negative impact on the whole student body as well as create a public relations problem for the school. Providers owed those unpaid bills could refuse treating other students of the same institution.

Can't students simply stay on their parents' insurance?

Yes, children up to age 26 can stay on their parents' insurance plan, but that may not be the best solution. For instance, a parent's employer-provided plan is liable to have high deductibles and narrow provider networks. In fact, depending on the coverage, there may be no network providers around the campus, forcing the student to go home for treatment. With a student health insurance plan from UnitedHealthcare, your students enjoy a national network of providers, so finding providers near campus won't be an issue.

According to the **Commonwealth Fund Health Insurance Tracking Survey of Young Adults, 2011*** (ages 19–29):

41% didn't get needed health care due to cost in the past year

39% were without health insurance for all or part of 2011

32% were unable to meet other debt obligations like tuition payments or student loans due to medical debt

31% delayed education or career plans due to medical debt

*The Commonwealth Fund Health Insurance Tracking Survey of Young Adults, 2011; Commonwealth Fund pub. 1604, Vol. 14

¹ <http://www.pewsocialtrends.org/2014/02/11/the-rising-cost-of-not-going-to-college/>

What about purchasing health insurance on the Exchanges?

Students can purchase insurance on the Exchanges, but the odds are good that a comparable student health insurance plan from UnitedHealthcare **StudentResources** will have lower premiums and better network of providers. Plans on the Exchanges are required to meet the new 3:1 age band ratio for determining premium rates. That means the oldest population group's premiums cannot be more than three times as high as the youngest group, leading to higher premiums for that youngest group. But student health insurance plans are not subject to that requirement, and instead are rated based on the better health and lower usage of a student population.

In order to control costs, plans on the Exchanges may come with higher deductibles and smaller provider networks when compared to a plan from UnitedHealthcare **StudentResources**.

How can we start a required health insurance program?

UnitedHealthcare **StudentResources** is devoted to addressing the health care needs of universities and colleges. We understand the challenges you face and have developed tools to help you implement a hard waiver program.

Our proprietary Partner Center online suite of tools includes Waiver Management. From the questions asked on your waiver submission, to the ability to upload your own waiver eligibility list, Waiver Management gives you control of the program at all times.

We built Waiver Management to support best practices, but its flexibility means it can also support a wide variety of procedures and preferences,

making it adaptable to your particular waiver program.

The security of your waiver information, especially as it relates to the personal health information of your students, is paramount. Access to your students' information is strictly controlled by Partner Center's log-in security. Permission for various functions, such as waiver request reviews, are set according to your instructions, ensuring only those authorized administrators have access to approve or deny waiver requests.

As an online tool, Waiver Management can automate what used to be a manual task, immediately increasing the efficiency and productivity of your staff, while reducing the time spent managing a waiver program.

Your students will see your message when they begin their online waiver request. The waiver form itself also allows you to ask as many or as few questions as you require. Waiver Management reviews waiver requests and provides an approval or denial on-screen to students. A confirmation email which you can customize is automatically sent to the student with the waiver decision.

That waiver is added to the appropriate list. At the end of the waiver period, students who haven't responded are added to your eligibility list, which in turn is formatted for submission to our Eligibility Department.

Advantages of requiring student health insurance

It's in the university's best interest to be committed to offering student health insurance that provides access to quality health care and achieves a

balance between premium cost and adequate coverage without overburdening students' financial resources. This balance is best achieved through a required student health insurance program that mitigates the effect of adverse selection.

Instituting a required student health insurance program offers many benefits, including:

- ◆ Stabilizes plan performance
- ◆ Stabilizes premium rates
- ◆ Limits adverse selection
- ◆ Ensures students maintain coverage, eliminating problems with lapsed or discontinued coverage
- ◆ Ensures international students are meeting NAFSA, ACHA, and federal guidelines
- ◆ Builds positive relationships with local hospitals and community
- ◆ Helps with retention of students who may otherwise drop out or reduce class load due to medical bills.



For more information, contact:

[insert AE's information]