H.R. 3590 and H.R. 3962 - Conference Committee: Clarification in Preserving Affordable College Student Health Insurance

SUBMITTED BY: The American College Health Association (ACHA)

URGENT ATTENTION REQUESTED

SUMMARY: Emerging national health reform legislation (H.R. 3590 and H.R. 3962) should preserve high quality, cost effective student health insurance/benefit plans (“SHIBPs”) offered by colleges and universities. The intent to preserve these college sponsored plans was addressed in H.R. 3590 and should be retained after conferencing; however, further clarification is needed in the final legislation to retain SHIBP’s group-like rating status.

BACKGROUND:

Many colleges and universities currently provide health insurance for their students. Nationwide, approximately 3 million students are enrolled in SHIBPs. In addition to fully insured programs, some institutions of higher education use cost-effective self-funded arrangements.

SHIBPs have been typically regulated at the state level as either group health insurance (i.e. on the same basis as employer-sponsored health insurance) or under the blanket and franchise section of the insurance code as a form of group insurance. Between state and federal laws, SHIBPs have not heretofore been a form of individual health insurance coverage.

SHIBPs have been defined as a “limited duration” form of coverage under the Public Health Service Act (“PHSA”). As such, they have been exempt from certain individual market requirements. Among other things, this has permitted colleges and universities to offer students high quality, low cost, group-like coverage that sets premiums as a large group would.

IMPACT OF LEGISLATIVE LANGUAGE:

H.R. 3590 established the intent to allow continuation of comprehensive college student health insurance/benefit plans. Title I, Subtitle G, Section 1560(c) stated that nothing in the Act should be construed to prohibit institutions of higher education from offering a student health insurance plan. This language was a helpful recognition of the important role that institutions of higher education play in providing student insurance and signaled the intent to preserve college student health insurance. However, the ability to continue offering high quality, cost advantageous SHIBPs on a group-like basis might no longer be possible because, by default and without additional clarification, SHIBPs could be interpreted as being subject to individual market

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1 See 42 USC 300gg-91. “The term “individual health insurance coverage” means health insurance coverage offered to individuals in the individual market, but does not include short-term limited duration insurance.”
For nearly 90 years, the American College Health Association (ACHA) has been the principal advocate and leadership organization for college and university health. ACHA applauds the commitment to reform our nation’s health care system which is long overdue for meaningful change that will reduce costs, provide and expand affordable access to services, improve quality, and preserve the individual patient’s choice. ACHA offers the unique perspectives of its members who provide clinical services, mental health services, health education programs, wellness and prevention services, and health administrative/support services for the nation’s nearly 18 million college students, an important sub-population with equally high stakes in improvement of the nation’s health.