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Plans, Inc.**

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In This Issue:

Contraceptives	1
MA SHP Report	2
State MLR Waivers 2	

ANNOUNCEMENT:

UHP's article, "How Health Care Reform Really Affects Student Health Plans", was printed last month in the *URMIA Journal* 2011.

Mandated Contraceptive Coverage

On August 1, 2011, the Department of Health and Human Services (HHS) issued interim final regulations on preventive services to be covered under PPACA. The new regulation adds several women's health services to the list of preventive services that will need to be covered without cost-sharing.

The Institute of Medicine (IOM) conducted a study of preventive services for women that have been proven to be effective for conditions that can affect a broad population of women and have a significant and potentially negative impact on a woman's health and well-being. The study resulted in a list of eight recommended services:

- Well-woman visits
- Human Papillomavirus (HPV) testing
- Sexually Transmitted Infection (STI) counseling
- Counseling and screening for human immune-deficiency virus (HIV)
- Gestational diabetes screening
- Breastfeeding support, supplies, and counseling
- Contraceptive methods and counseling
- Screening and counseling for domestic/interpersonal violence

These services make up the HRSA Women's Preventive Services Guidelines.

Insurance plans (including student plans) that begin on or after August 1, 2012, will be required to cover these recommended women's health services with no cost-sharing. Opponents of the regulation are concerned mainly with the contraceptive requirement, due to both financial and religious concerns.

Currently, 28 states require contraceptives to be included in a plan's prescription coverage. Of those, over half allow contraceptives to be excluded from coverage for employers of religious organizations.

The HHS regulation based its definition of a religious employer on legislation from those states in an effort to "reasonably balance the extension of any coverage of contraceptive services under the HRSA guidelines to as many women as possible, while respecting the unique relationship between certain religious employers and their employees in certain religious positions."

It does not seem as though this definition can be applied to student plans, as the students are not employees of the school.

The contraceptive methods and counseling to be covered without cost-sharing include "All Food and Drug Administration approved contraceptive methods, sterilization procedures, and patient education and counseling for all women with reproductive capacity." A common concern has been: If there is no cost-sharing for these services, who is going to pay for them? HHS, however, "expect[s] that this amendment will not result in any additional significant burden or costs to the affected entities."

UHP analysis indicates otherwise. At one of our schools, for example, prescription co-pays for contraceptives through 10 months of claims amounted to \$42,000. This number is projected to reach \$50,000 for the 12 month policy year. Roughly 2,300 students at this school purchased the SHP.

Continued on Page 2

Mandated Contraceptive Coverage

Continued from Page 1

The elimination of contraceptive co-pays would result in an additional claims cost per student of \$22 ($\$50,000/2,300 = \22). The insurance companies will include a factor for increased utilization (15%), inflating the claims cost to \$25 per person.

When the insurance company includes its retention (25%), the cost to eliminate contraceptive co-pays at that school will increase further to approximately \$34 per student.

Massachusetts SHP Annual Report 2009-2010

The Massachusetts Division of Health Care Finance and Policy (DHCFP) published their annual report this month on Student Health Programs for the 2009-2010 policy year.

Annual SHP premiums in MA ranged from \$325 to \$6,143 and averaged \$1,294 per student.

More than 25% of full-time and $\frac{3}{4}$ full-time students in Massachusetts enrolled in a SHP for the 2009-2010 policy year. Of those 108,000 students enrolled in a SHP for the 2009-2010 policy year, only 7 exceeded their plan's maximum benefit. None of the students who exceeded their maximum benefit had a plan maximum of over \$100,000.

More States Requesting MLR Waivers

Since our last newsletter, five more states and Guam have applied for an adjustment of the 80% MLR requirement, bringing the total number of appeals to fifteen.

In addition to Maine (whose MLR waiver we discussed in the last newsletter), New Hampshire, Nevada, Kentucky, and Iowa have been granted adjustments. Nevada and Kentucky are expected to meet the 80% MLR requirement beginning in 2012, while New Hampshire and Iowa have until 2013 to

meet the 80% MLR requirement.

To date, North Dakota is the only state whose MLR waiver application has been denied.

The MLR waiver applications submitted by the following states are still under review: Florida, Georgia, Louisiana, Kansas, Delaware, Indiana, Michigan, and Texas.

About Our Organization...

University Health Plans (UHP) is a leading benefit brokerage/consulting firm specializing in the design, brokerage, and service of College and University student health insurance programs.

Using a team approach, UHP currently manages the student health insurance programs for over seventy-five colleges and universities.

We specialize in managing student health insurance programs, in addition to offering ancillary programs such as sports and travel assistance. Student health insurance is our only line of business so we devote 100% of our energies and resources to ensure cost effective student health insurance with superior customer service.

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