

University of Oregon
HEALTH CENTER
Student Health Advisory Committee Meeting
November 4, 2005

Student Members:	Applicants	Interested Students	ExOfficio Members:
* Chiem, Jennifer	L Fong, Man-Sze	Beseda, Addie	E Kerr, Shelly
* Kuzma, Urva	Horn-Kelter, Petra	Bwaybe, Sarah	E DeHaven-Murdoch, Daralyn
* Soetan, Folake	* Ronco, Noelle	Parker, Jenny	Leith, Ramah
E Stiffler, Lesley	Scholl, Ben	E Takahashi, Chika	Melner, Naomi
* Straight, Leslie	Wilson, Kathryn	Zimmer-Stucky, Jasmine	* Ryan, Tom
* Teeter, Kelly		* Bentley, Dan	* Swtaight, Paula
* Wu, Angela	Faculty:	Guests:	* Stoop, Helen
	Munroe, Dennis	* Brian Corcoran	
* Shaw, Jasmine	Meaux, Tenaya	Debbie Alley	
	Spradling, Karen		

The meeting was called to order at 3:00 p.m.

1. **Approval of Minutes** – The minutes of the previous meeting were approved as distributed.
2. **Insurance 101** – Brian Corcoran, Insurance Consultant, and Debbie Alley, Student Insurance Program Representative, are here today to present, “Insurance 101,” to provide SHAC members information about insurance in general, and in particular, student insurance. Included in the handout today is an article that is very specific about what SHAC committees and other people who are managing student health insurance plans think. This is very important reading for you SHAC members with very good information towards understanding specifically the management duties of the Health Insurance.

Nationally, health care spending is still increasing at an alarming rate, much higher than anything else at nearly 4 times the amount spent on national defense. The average cost of health care is \$300 a month for Americans today. Once you get into the community you will find it extremely expensive, but this information will help you help students be ready for this when you hit the community after college.

In comparison of costs between the United States and different countries we have the highest amount spent of industrialized nations, but have the most people who have no health insurance. Other countries are providing health insurance for all their citizens. We rely on an employer provided health care system while other countries rely on government provided health care systems. Employers can’t keep up with the cost. You need to realize that health insurance everywhere is extremely expensive so we’ve got to manage what we’ve got as best we can.

The United States is in a health insurance crisis situation and everyone needs to pay attention because of the cost factor. The amount employees have to pay is increasing as well as that of the employer. The availability of employer based coverage is decreasing and student’s parents are no longer covered by insurance through their employers.

The cost of prescription medications is the fastest increasing expenditure in health care. In the management of the drug plan in the student insurance plan it is so important to look at where people are using it, whether the rates/limits should remain at the current level, whether they should be decreased, or whether this benefit should be discontinued altogether.

The handout also provides average costs for medical care information; typical surgeries, maternity care, office visit versus emergency room visit. The average stay in a hospital runs \$3200 per day so one day in a hospital will eat up a full year’s worth of insurance premiums.

Insurance terminology is also provided in the handout. These are basic terms to help students understand what is being said in discussion of insurance.

The benefit summary shows the different differences in the domestic and international student health plans. The domestic plan is voluntary; however international students are required to have insurance. This brings up the voluntary versus adverse selection problem with the domestic plan. The benefits are better in the international plan at lower cost. This is due to the voluntary versus mandatory nature of the plans and the difference in use of health insurance for international students.

The cost of the domestic plan has been rising steadily with enrollment fairly steady while the international plan has been stable in cost and enrollment. Debbie Alley stated there are more international students at the university this year since 9/11 so enrollment is up a bit. Domestic enrollment is down this year. International students are automatically billed so there is a different enrollment system.

Loss ratio comparison of premiums versus claims shows the actual loss ratio versus the insurance company's target loss ratio. Overall rate increases in these plans has been substantially less than what has been seen in the community.

In comparison of plans at other schools and their benefits, almost all have limits on prescriptions. This was decided against for our plan last year, but we may want to consider it to hold the increase in premium down.

Looking at health insurance trends provides an idea of where things are going, where they have been, what we might anticipate. The trend of employees sharing the cost for their health care is increasing and. This means you as the insurance pay a portion of the cost of coverage and a portion of the cost for the service. Students need to be aware that this is what is happening in the community; to be aware of what is going on in the outside the community to give direction on what the plan here at the university should be.

Keeping pace will be a struggle. Costs for premiums are at a rate that they now equal full-time earnings for a minimum wage worker. What can we do? In reality there are four basic options for slowing the trends in health care.

1. Increase the efficiency of health care delivery.
2. Increase the financial incentives for patients to limit their use of medical services.
3. Increase the administrative controls on the use of these services; strong managed care.
4. Limit the resources available to the health care system.

There is a trade off between cost and giving people access to the care they need. What do we do when we get into a situation where we charge more money for care or say we are tapped out, where do we go?

How do you increase the efficiency of health care delivery? This could be done through self insurance and on-site medical clinics and pharmacies to allow for taking control of health care delivery, thereby lowering costs is. A parallel to on-site clinics would be university health centers. What would cause students to increase their use of health centers instead of using costly outside services? Communication is key. A lot of students are more comfortable with being covered under their parent's plans. What if it were communicated that the hassle of filing insurance claims could be eliminated, that the cost of getting care at the Health Center is less costly, or if costs were low enough or covered by the fees paid for use of the Health Center?

What about unusual cases where the level of care is outside the scope of the Health Center. A tough question is how many of those types of cases would there be, and is this a manageable number? Should we concentrate on just providing basic care for students? An option could be to have a basic plan that would cover the basics with an added catastrophic plan. Do we want to take care of all the students or concentrate on the students we can take care of? How many students use the Health Center? What would be the projected cost for an incidental fee that students would need to pay per year for this type of coverage?

There are lots of things that come into play for this with a major one being that most students are young and healthy. If parents are involved in funding their education they are looking at the costs of tuition and fees. It would take some real thought and planning to present something like this that would involve a fairly significant increase in the fee.

It is hard to step outside the normal fee increases, but having a basic plan that would cover the basic student health care needs here at the Health Center could be an option.

Would this basic plan cover everything such as immunotherapy, booster shots? This is part of the question, what services are provided at the Health Center, what are the total costs, and what would the cost per student be? The Health Center can handle 90% of what the normal student needs for their health care. This plan could be tailored to the services that students most need and provides control and the ability to customize the care provided. This would involve an increase in the fee paid by students that would provide basic primary care health services at no cost to students.

The idea of a basic low-cost health insurance plan to cover basic health care needs that would decrease paperwork for getting claims paid/reimbursements could be persuasive to students or their parents. Additional catastrophic plans can be purchased to cover for incidents outside the scope of the services provided at the Health Center. The down side is that those with a higher level of need will not be able to get all the services they need through the Health Center. A universal care approach where the cost is spread out to everyone could be one way we, as a university community, could help tackle the health care crisis issue in the United States?

Would that eliminate the need for insurance that domestic and international student purchase? It would not eliminate the need but would allow them to purchase less expensive or different plans. Health centers on campuses are specifically much more efficient in providing care and pharmaceuticals, thereby for a lesser cost.

Further discussions regarding health insurance will be on the SHAC agenda around services provided, costs, how could they be covered, and mandatory insurance for students.

1. **Items Not on the Agenda:**

a) **1% for Art Committee** – As part of the construction project the state requires that 1% of the construction budget be held for art for the Health & Counseling Center. The 1% for Art Committee is looking for a student representative to participate in the discussion of what should go into our building. If you are interested in doing that let Kim Barker know.

2. **Adjournment** – The meeting was adjourned at 4:00 p.m.

Kim Barker, Recorder

****Next Meeting****
November 11
Ramey Room, Oregon Hall