TO: Board of Trustees, Southern Illinois University
FROM: Cameron Shulak, President Matt Ryg, President
Undergraduate Student Government Graduate and Professional Student Council
DATE: March 18, 2015
RE: Policy Brief on Student Health Insurance

Background/Overview: Southern Illinois University Carbondale has a self-funded Student Insurance Plan that is underfunded, outdated, and obsolete. In January of 2012, Chancellor Rita Cheng agreed that the University shared an interest in providing quality affordable healthcare to students and that a Student Insurance Taskforce be established to figure out how to accomplish that goal. Each year since the initial charge by former Chancellor Cheng, a student-led taskforce has convened to vet proposals solicited via a university RFP. For the past three years, students have recommended to the university administration a new student insurance plan that is in full compliance with the 2010 Patient Protection and Affordable Care Act (ACA). By the end of the 2014-2015 academic year, the current self-funded plan will no longer be certified to meet the minimum essential benefits required by federal law. The current plan was developed to be a supplement to other medical insurance and is now the only form of insurance for most student enrollees.

Statement of Need: According to Dr. Ted Grace, the Director of Student Health Services at SIUC, the self-funded Student Insurance Plan enrolls just over 11,000 currently. There are approximately 6,000 students who opt-out of the plan and receive a full refund of the Student Insurance Fee. Dr. Grace also “safely” estimated that about two-thirds of SIUC students would continue on the plan, meaning that total enrollment in the plan would likely not change. At this point, SIUC Student Health Insurance is badly behind the curve. Many of our state competitor schools have already adopted ACA-compliant plans similar to the one we propose. Not adopting this plan would set SIUC back in its pursuit of being a top public university in Illinois. An ACA-compliant plan is not just something students need, but it is also something the university needs.

Statement of Costs: During the 2014-2015 academic year, SIUC students paid an insurance fee of $437 per fall and spring semester. An ACA-compliant plan would cost $148 more per student per semester for an unprecedented range of new benefits. Under the current plan, SIUC students pay a $100 deductible, per individual per year, and a $1,000 maximum out of pocket expense, per individual per year. We also currently pay a co-insurance ratio of 80% / 20%. Under the new plan, during the 2015-2016 academic year, the deductible and maximum out of pocket expenses, as well as the co-insurance ratio, would not change. What would change is the wide range of new benefits and options that students would have access to for the first time. For example, students would have no maximum lifetime benefit; no exclusions due to preexisting conditions; no limits on physical and occupational therapy, or mental health visits; preventative care (immunizations, screenings, and physicals) would be included; spouse, domestic partner and dependent coverage would be made available; and, pharmacy benefits, including free birth control, would be included. These are only some of the full range of benefits that SIUC students would have access to under a new plan.
When considering cost, it is important to note that in most cases an ACA-compliant plan is much less expensive than it would be for a student to obtain a similar plan from the marketplace. Student Insurance Office staff found that comparable policies obtained through the marketplace would often cost a student two-to-three times more than the proposed plan would cost. There is no doubt that this plan is extremely financially competitive. Additionally, as more students become uninsured or underinsured, Carbondale and surrounding community medical providers – and the citizens of Illinois – will bear this unnecessary financial burden.

Constituent Position: Students are willing to pay for better healthcare. Access to quality healthcare affects all students at the university and we have prioritized a need to improve the health benefits available to students and their families. Students deserve healthcare reform: full compliance with the ACA is long overdue. We think that SIUC students deserve health insurance that meets the minimum standards required by federal law. Students overwhelmingly support the switch to an ACA-compliant health insurance plan.

To demonstrate this support, undergraduate, graduate, and professional students have utilized their respective governing bodies: USG and GPSC. Over the past two years, USG and GPSC have passed a series of resolutions to support a fully ACA-compliant health insurance plan. SIUC Student body Presidents signed a joint letter to the Board of Trustees on July 22, 2014, that asked you to issue a directive to university administration and staff of the Carbondale campus. We asked that the university and Board: (1) write and submit another RFP, (2) establish and convene the Student Insurance Task Force to review proposals and make recommendations, (3) take prompt action on the recommended proposal, and (4) pending the completion of items 1-3, to consider and approve the Student Insurance Task Force recommendation. On September 9, 2014, USG passed a resolution that asked the Board “to quickly, efficiently, and transparently conduct the process to obtain a fully ACA compliant healthcare plan with expanded benefits.” GPSC passed a virtually identical resolution on September 23, 2014. On January 27, 2015, GPSC passed another resolution that asked the Board “to approve the recommendation of the Student Health Insurance Taskforce and implement an ACA compliant student health insurance plan for the 2015-201 academic year.” USG passed a virtually identical resolution on February 3, 2015. On February 24, 2015, GPSC voted unanimously to approve the Student Health Insurance Fee Proposal, which would bring an ACA-compliant insurance plan to SIUC students: 17 Representatives voted “Yea” and there were neither “Nay” votes nor abstentions. On March 3, 2015, USG voted overwhelmingly to approve the Student Health Insurance Fee Proposal: 21 Senators voted “Yea,” 1 voted “Nay,” and there were no abstentions. The SIUC student support for this plan, both undergraduate and graduate, is unwavering and overwhelming.

Conclusion / Recommendation: We, alongside the students of SIUC, strongly urge the Board of Trustees at Southern Illinois University Carbondale to hear, debate, and vote to approve the fee proposal to bring SIUC students an insurance plan that is in full compliance with the ACA.