Proposed Final Student Health Insurance Program Regulations (VOTE)

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Board of Directors Meeting, December 12, 2013
Summary of Proposed Amendments

• On October 10, 2013, this Board voted to issue draft amendments to the Student Health Insurance Program (SHIP) Regulations at 956 CMR 8.00

• Proposed amendments were generally motivated by
  – Changes to the insurance market related to the Affordable Care Act (ACA)
  – General considerations to improve student health insurance

• Proposed amendments fell into the following categories:
  – Align with the ACA, which extends requirements to self-funded SHIPs
  – Refine certain plan design requirements
  – Modify enrollment and refund rules to facilitate access to subsidized coverage
  – Change rules related to valid SHIP waivers
  – Streamline reporting requirements
Policies Underlying Proposed Amendments

- Our proposed amendments were motivated by several underlying policy goals, including:
  - Maintaining parity between self-funded and fully-insured SHIPs
  - Increasing student access to affordable insurance options
  - Improving the quality of benefits covered by SHIPs
  - Keeping SHIP affordable for students
  - Easing the administrative burden on schools of operating a SHIP

- These general policy goals motivated our responses to public comments and testimony that we received regarding the proposed amendments, addressed in the following slides
Public Comments and Testimony

- The Health Connector received written comments on the proposed amendments from October 15, 2013 to November 15, 2013.
- On November 19, 2013, the Health Connector held a public hearing and received oral and written testimony.
- Input came from a wide variety of stakeholders:
  - Schools
  - Carriers
  - Advocates
  - Brokers
  - A state Representative
• Comments were generally positive and praised many of the amendments
  – Increased access to subsidized coverage through the Health Connector and MassHealth
  – Aligning the cost-sharing requirements of SHIPs to the Health Connector’s Minimum Creditable Coverage standard
  – Incorporating required benefits and other protections contained within the Affordable Care Act
  – Other changes which worked to ensure that the cost of health insurance does not prevent students from accessing higher education
• Other comments suggested removing or changing the proposed amendments, or other changes to the regulations
• The following slides address comments received that either prompted the Health Connector to alter the regulations or otherwise carefully consider the commenter’s recommendation, even if we did not ultimately adopt the recommendation
<table>
<thead>
<tr>
<th>Public Comments</th>
<th>CCA Response</th>
<th>Reason(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarify the scope of required benefits SHIPs must offer</td>
<td>New definitions added for “Essential Health Benefits Benchmark Plan”; new amendments made to Required Benefits provision</td>
<td>The scope of required benefits needed to more clearly reflect that all SHIPs must cover Essential Health Benefits in a manner consistent with federal law</td>
</tr>
<tr>
<td>Clarify services that may be covered by Student Health Services (SHS) as in-network</td>
<td>No action taken</td>
<td>SHS varies widely by school and therefore by SHIP; important to maintain flexibility in plan design</td>
</tr>
<tr>
<td>Do not increase period after losing coverage, and thereby becoming eligible for SHIP, from 30 to 60 days</td>
<td>No action taken</td>
<td>This is consistent with Marketplace rules; it will decrease gaps in coverage by giving students more time to enroll in a SHIP before the period ends</td>
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## Public Comments and Testimony (cont’d)

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<td>Require prorated premium refunds where student newly eligible for subsidized insurance or MassHealth</td>
<td>Added by-term premium refund for students eligible for subsidized insurance or MassHealth</td>
<td>Fair to students with changing circumstances; facilitates access to subsidized coverage; makes access to higher education more affordable</td>
</tr>
<tr>
<td>Do not require prorated premium refunds</td>
<td>No action taken</td>
<td>Premium refunds only available in limited circumstances; fair to students with changing circumstances</td>
</tr>
<tr>
<td>Require SHIPs to offer dependent coverage</td>
<td>No action taken</td>
<td>SHIP market uniquely tailored and rated for students; preserve flexibility for schools to allow dependent coverage, but not require it; consistent with federal treatment of issue</td>
</tr>
<tr>
<td>Add cost-sharing limit matching MCC cost-sharing to comparable coverage standard</td>
<td>No action taken</td>
<td>Comparable coverage standard seeks to balance student choice and flexibility with the need for minimum quality coverage; current text strikes the best balance by requiring coverage of certain services, but not being overly prescriptive in plan design</td>
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<td>Do not permit schools to group SHS fees in with insurance premiums</td>
<td>No action taken</td>
<td>How schools bill for SHS and insurance is an issue best resolved by schools, carriers and brokers</td>
</tr>
<tr>
<td>Require schools to disclose insurance information separately and 45 days prior to registration</td>
<td>No action taken</td>
<td>Current regulations grant sufficient time (at least 30 days) for students to assess their coverage options; do not want to increase administrative burden on schools with separate mailing requirement</td>
</tr>
<tr>
<td>Designate health sharing ministries as comparable coverage</td>
<td>No action taken</td>
<td>Where such arrangements satisfy the comparable coverage standard, students and schools may use them to waive SHIP; otherwise, waiver is not appropriate</td>
</tr>
<tr>
<td>Allow electronic waivers and designated representatives to conduct waiver process</td>
<td>Regulations amended to allow each</td>
<td>These changes clarify that, while not previously prohibited, schools may utilize technology and designated representatives, easing any administrative burden posed by conducting a waiver process</td>
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SHIP Regulations Timeline

October
- Develop SHIP Policy and Regulations
  - Friday, Oct. 4
    - Send BOD draft regulation memo
  - Thursday, Oct. 10
    - BOD votes on draft SHIP regulations
  - Tuesday, October 15
    - Send notice and regulations to Local Government Advisory Committee (35 days before hearing; 14 days before publishing notice)
    - Notice and Comment period (starts with first notice and ends after hearing)
  - Friday, October 25
    - File small business impact statement and notice of public hearing, along with draft regulations for publication with the Regulations Division (Regulations Division publishes notice on November 8th)
    - Publish notice in local newspaper, etc. (no later than Tuesday, October 29)

November
- Tuesday, November 19 (earliest possible date)
  - Hold public hearing

December
- Friday, December 6
  - Send BOD final regulation memo and redlined regulations
- Wednesday, December 11
  - File amended small business impact statement
- Thursday, December 12
  - BOD votes on Final Wellness Regulations (with any changes as a result of comments)

January
- Friday, December 20
  - Filing deadline for publication in Mass Register
- Friday, January 3, 2014 – Final Regulations effective and published in Massachusetts Register
Proposed Board Motion

Health Connector staff recommend that the Board issue the amended Student Health Insurance Program regulations: 956 CMR 8.00 as proposed.