Student Health Insurance Program Update

MARIA JOY DAWLEY
Product Manager, Health and Dental Plans, Massachusetts Health Connector

DAVID GRECO
Director of Third Party Liability and Premium Assistance, MassHealth

COLLEEN MURPHY
MassHealth Premium Assistance Project Lead, UMass Medical School Center for Health Care Financing

Board of Directors Meeting, October 4, 2017
Today’s Discussion

Today we will present to the Board this year’s renewal of public Student Health Insurance Plans (SHIP) and an update on the SHIP MassHealth Premium Assistance program.

- For Academic Year (AY) 2017/2018, the Health Connector facilitated securing modest renewal increases for the Commonwealth’s public institutions of higher education: 16 Community Colleges, nine State Universities and four (out of five) University of Massachusetts (UMass) campuses

- In addition, we will provide an update on the SHIP MassHealth Premium Assistance (PA) program, a joint Health Connector and MassHealth effort
  - The PA program established a partnership with institutions of higher education to facilitate access to SHIPs for MassHealth enrollees that provides students with access to broader commercial networks and benefits at a savings to the Commonwealth
Background and Academic Year 2017/2018 Renewal Negotiations
Massachusetts has required students enrolled in higher education programs to be covered by health insurance since 1989 – one of the country’s first individual mandates.

Under this requirement, every school (both public and private, fully insured and self-funded) in Massachusetts must offer a SHIP which is only available to the school’s students and is outside of the Commonwealth’s merged individual and small group market.

Since the implementation of the Affordable Care Act (ACA) in 2014, fewer students were enrolling in SHIPs, likely due to the availability of insurance options through MassHealth and the Health Connector.

Colleges and universities are required to allow students to waive SHIP if they are enrolled in MassHealth or in subsidized coverage through the Health Connector.

Since the introduction of the MassHealth SHIP PA program in Fall 2016, the public colleges and universities’ SHIP enrollment has begun to increase.
Academic Year 2017/2018
Renewal Summary

Public college and university premium changes for Academic Year 2017/2018 range from zero to ten percent.

- For the 2017/2018 renewal period, the Health Connector’s Chief Actuary forecasted potential renewal ranges expected from Blue Cross Blue Shield of Massachusetts (BCBSMA) based on each segment’s claims experience and loss ratios
  - This analysis predicted premium increases ranging from approximately 0–18%
- Final renewal negotiations resulted in most schools receiving renewals below the forecasted increases
  - There were no renewals greater than 10%
  - The community colleges made plan modifications to bring their rate increase down from an initial 9.1% increase to an increase of 5.1%

<table>
<thead>
<tr>
<th></th>
<th>UMW*</th>
<th>UMD</th>
<th>UML</th>
<th>UMB</th>
<th>MASU</th>
<th>MACC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current AY 16/17 Annual Premium**</td>
<td>$3,850</td>
<td>$2,168</td>
<td>$1,435</td>
<td>$2,035</td>
<td>$2,511</td>
<td>$1,629</td>
</tr>
<tr>
<td>Chief Actuary Predicted % Increase</td>
<td>8.8%</td>
<td>0.0%</td>
<td>13.1%</td>
<td>1.2%</td>
<td>18.7%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Actual % Change Compared to Current</td>
<td>9.27%</td>
<td>0.0%</td>
<td>9.27%</td>
<td>1.97%</td>
<td>9.72%</td>
<td>5.10%</td>
</tr>
<tr>
<td>Actual $ Change Compared to Current</td>
<td>$357</td>
<td>$0</td>
<td>$133</td>
<td>$40</td>
<td>$244</td>
<td>$83</td>
</tr>
<tr>
<td>Final Annual Premium AY 17/18**</td>
<td>$4,207</td>
<td>$2,168</td>
<td>$1,568</td>
<td>$2,075</td>
<td>$2,755</td>
<td>$1,712</td>
</tr>
</tbody>
</table>

*UMass Worcester (UMW), UMass Dartmouth (UMD), UMass Lowell (UML), UMass Boston (UMB), State Universities (MASU), Community Colleges (MACC)

**Premiums shown are inclusive of all fees (broker, Health Connector, travel assistance, and UMD and UML’s school-specific fees).
MassHealth Premium Assistance for SHIPs
**Tool to Support SHIP Market: Premium Assistance**

*Premium Assistance is a MassHealth program designed to provide a cost-effective way of delivering benefits to MassHealth members who have access to private insurance by assisting with payments for their private coverage.*

- Enrollment in MassHealth Premium Assistance is mandatory for those eligible for the program.
- MassHealth’s purchasing of private insurance helps ensure that MassHealth is the payor of last resort, as required by federal law, as the private insurance becomes the primary payor of services.
- Eligibility for MassHealth PA is determined based on the individual’s MassHealth coverage type and the type of private health insurance that the individual is enrolled in or has access to, including whether it is cost effective to purchase.
- Under the SHIP PA program led by MassHealth, the Health Connector and EHS, Massachusetts students are able to maintain their Medicaid benefits while enrolling in their schools’ SHIP health plans.
- Students enrolled in the SHIP PA program maintain their MassHealth premium and benefits/cost sharing for MassHealth covered services, while also being able to access broader networks and services at the SHIP health plan’s cost sharing levels.
SHIP Premium Assistance: Program Launch

The SHIP PA program launched for Fall 2016 in collaboration with MassHealth, the Health Connector and the public colleges and universities.

- The public institutions of higher education were targeted in the pilot year because of the high number of students accessing MassHealth
- The program began in June 2016 for AY 2016/2017 enrollment, with 5,054 public college and university students enrolled in the first year
- The SHIP PA launch included a number of operational efforts:
  - Business process and system development for colleges and universities and the three third-party administrators (TPAs) (Gallagher Student Health, University Health Plans and Consolidated Health Plans)
  - College and university communication, outreach, and education, and establishment of a toll-free customer service MassHealth SHIP PA line dedicated to helping students in the MassHealth SHIP PA program
- Student and school administrator feedback in the first year of the program was largely positive but highlighted the need for increased communication and education, particularly regarding coordination of benefits
Beginning this academic year, enrollment in the SHIP PA program is mandatory for eligible students, significantly increasing the number of enrollees in the program.

- In the first year, enrollment in the SHIP PA program was optional for eligible students with MassHealth
- Beginning in AY 2017/2018, enrollment in the SHIP PA program is mandatory for MassHealth-eligible students at participating schools
- Systems updates were implemented to address mandatory enrollment and enhanced reporting and matching capabilities
- Marketing and educational materials were developed, with a focus on coordination of benefits to support students in using both their MassHealth coverage and their school’s SHIP
SHIP Premium Assistance: AY 2017/2018 (cont’d)

**Forty-nine private colleges and universities joined the MassHealth SHIP PA program in AY 2017/2018.**

- The three TPAs (Gallagher Student Health, University Health Plans and Consolidated Health Plans) serving the public colleges and universities were key partners in the launch of the MassHealth SHIP PA program.

- With the support of these TPAs, the SHIP PA program expanded beyond the 30 public schools to 49 private schools, for a total of 79 participating colleges and universities for Fall 2017.

- A fourth TPA, United Student Services, joined the SHIP PA program for AY 2017/2018.

- To date for AY 2017/2018, approximately 16,000 eligibility approval letters have been sent for the MassHealth SHIP PA program.

- The overall projection for total MassHealth SHIP PA enrollment for AY 2017/2018, including participating public and private schools, is about 21,500.
SHIP Premium Assistance: Next Steps

Next steps for the SHIP PA program include expansion to additional private schools and enhanced education and outreach.

- The SHIP PA team is working with additional private schools not currently serviced by one of the existing TPAs to bring them into the program in future years.

- Further development of marketing and educational materials, including more informational materials available online.

- To manage the increased volume associated with mandatory enrollment, web service functionality is being developed.

Changes to the MassHealth SHIP Premium Assistance Program for 2017

We are pleased to announce that MassHealth recently received new federal funding via a Section 1115 Demonstration Waiver relating to the MassHealth Student Health Insurance Plan (SHIP PA). Below is an overview of those new approvals, along with some important new information about the SHIP PA.

What changes are coming to MassHealth SHIP Premium Assistance Program?

- Mandatory Enrollment. Under the new federal approval, students who are MassHealth eligible and not enrolled in their school’s SHIP PA plan are required to enroll in the plan as a condition of their MassHealth eligibility. This mandatory enrollment process is being coordinated with enrollment brokers, and it is expected to be implemented for all public colleges and universities for fall 2017 enrollment. There is also an online tool for students to configure their plan for the upcoming academic year.

- Reimbursement for Out-of-Pocket Expenses for Non-MassHealth Providers. MassHealth will now reimburse out-of-pocket expenses when a SHIP PA student visits a provider who is not in MassHealth and Blue Cross Blue Shield networks.

How do students access SHIP PA benefits?

- Students who are MassHealth members should identify themselves as being on MassHealth during the SHIP PA application process. If they do not identify MassHealth, they will need to provide their MassHealth ID number, which can be found on their card. They will need to follow the process, which will verify they are eligible. If so, they will be automatically enrolled.

- Enrolled students can access their BCBS cards through the BCBS online portal or by calling BCBS at 1-855-273-5903.

Do you have MassHealth coverage?

If you currently have MassHealth coverage, you will be required to enroll in your school’s Student Health Insurance Plan (SHIP) at an additional cost to you.

- You’ll get more benefits, without paying more. Through the MassHealth Premium Assistance program, you’ll pay the same amount you do now, but you’ll be able to:
  - Have a greater choice of providers when you need health care services.
  - Use any of the providers in your school’s Blue Cross Blue Shield of MA PPO network, with no referral necessary.
  - Pay the same MassHealth low or no co-pay when you use an in-network Blue Cross Blue Shield.
  - Be covered for when you’re in other states or anywhere around the world if you’re travelling.

How to get started:

- Make sure you enter your 12-digit MassHealth ID number when you fill out information on your school’s waiver form.
- You can find your MassHealth ID number on your MassHealth ID card.

What’s next?

After you submit your information through your school’s waiver process, you will be emailed updates about the status of your submission. If you are eligible, MassHealth will notify you in writing within 14 business days. If you have any questions about your eligibility or the Premium Assistance program, call MassHealth Premium Assistance at 1-855-273-5903.

Questions?

If you have questions about your eligibility for the Premium Assistance program, call MassHealth Premium Assistance at 1-855-273-5903.
Appendix
# AY 2017/2018 Plan Design Summary

<table>
<thead>
<tr>
<th>In-Network</th>
<th>UMW*</th>
<th>UMD</th>
<th>UML</th>
<th>UMB</th>
<th>MASU</th>
<th>MACC**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible</td>
<td>$0/$250 OON</td>
<td>$250</td>
<td>$250</td>
<td>$250</td>
<td>$0</td>
<td>$250</td>
</tr>
<tr>
<td>Co-insurance</td>
<td>100%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>OOPM</td>
<td>$4,000</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>ER</td>
<td>$25</td>
<td>$150</td>
<td>$150</td>
<td>$150</td>
<td>$25</td>
<td>$150</td>
</tr>
<tr>
<td>Inpatient Hospital</td>
<td>100%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Primary Care</td>
<td>$10</td>
<td>$30</td>
<td>$30</td>
<td>$30</td>
<td>$15</td>
<td>$30</td>
</tr>
<tr>
<td>Specialist</td>
<td>$10</td>
<td>$30</td>
<td>$30</td>
<td>$30</td>
<td>$15</td>
<td>$30</td>
</tr>
<tr>
<td>MH/SA Outpatient</td>
<td>$10</td>
<td>$30</td>
<td>$30</td>
<td>$30</td>
<td>$15</td>
<td>$30</td>
</tr>
<tr>
<td>Imaging</td>
<td>100%</td>
<td>$100</td>
<td>$100</td>
<td>$100</td>
<td>$100</td>
<td>$100</td>
</tr>
<tr>
<td>Rehab ST/OT/PT</td>
<td>$10</td>
<td>$30</td>
<td>$30</td>
<td>$30</td>
<td>$15</td>
<td>$30</td>
</tr>
<tr>
<td>Lab Outpatient</td>
<td>100%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>X-Rays</td>
<td>100%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Outpatient Facility</td>
<td>100%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Outpatient Surgery</td>
<td>100%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Rx-Retail-30 Days</td>
<td>$10/$20/$35</td>
<td>$15/$30/$50</td>
<td>$15/$30/$50</td>
<td>$15/$30/$50</td>
<td>$10/$20/$30</td>
<td>$20/$40/$60</td>
</tr>
</tbody>
</table>

*UMass Worcester (UMW), UMass Dartmouth (UMD), UMass Lowell (UML), UMass Boston (UMB), State Universities (MASU), Community Colleges (MACC)

**Bolded/italicized elements represent changes to the plan from AY 2016/2017.