

A Roadmap to Understanding and Implementing Insurance for International Students:

International Student Insurance Discussion

NAFSA Region II Conference
October 25, 2012 - Wichita, Kansas



Presenters

- ▶ **Jennifer Frankel**

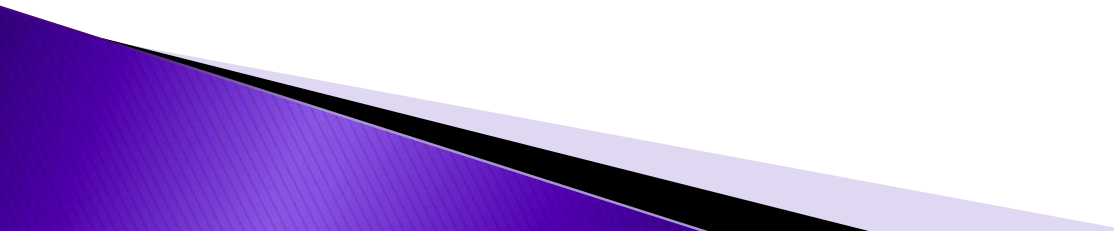
Marketing Manager
International Student Insurance

- ▶ **Janet Willems**

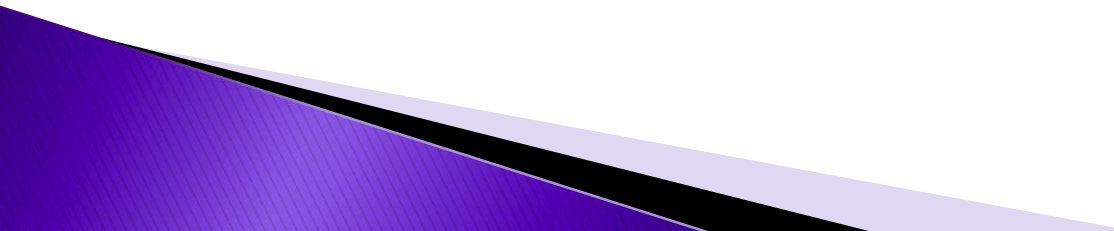
Director of International Programs
Doane College

- ▶ **Stacey Bailey**

International Student Advisor
Kansas State University



Agenda

- ▶ Plan Administration: Pros & Cons
 - ▶ Understanding Your Students
 - ▶ Evaluating and Customizing Your Insurance Plan
 - ▶ Working with Your International Students and Schools
- 

Plan Administration: Pros & Cons

Primary Ways Schools Administer Insurance Plans

- ▶ Individual Insurance
 - Individual insurance: no requirements
 - Individual insurance: minimum requirements
- ▶ Group Insurance
 - Mandatory insurance plan no option to waive
 - Mandatory insurance plan with option to waive



Individual Insurance Plan Options

Pros:

- Less expensive than mandatory plans (more options)
- Less administration and time (school is not as involved)
- More flexibility for student

Cons:

- Uncertainty that coverage is sufficient or continuous
- The students may be stuck with a large payment they cannot afford
- The school may become involved as an intermediary
- Set benefits and pricing

Who falls under this plan:

- Schools with few international students or limited resources



Insuring Our Students– How it's Done at Doane

Background – Doane College
Private– Liberal Arts & Sciences

Main Residential Campus
1200 students– 20 international
No ESL program

2 Non–traditional Campuses
3500 students– 5 international

Insuring Our Students– How it's Done at Doane

At Admission:

- student advised insurance required
- student receives informational handout
- student advised to select a plan based on their own personal medical needs
- student advised to carefully review exclusions

Insuring Our Students– How it's Done at Doane

Upon Arrival:

- Orientation includes brief general overview, group discussion and printed materials (English)
 - How U.S. medical system works
 - Local medical providers
 - How insurance works
- Students must provide proof of coverage to health center
 - Half have study abroad coverage from home
 - Half purchase a plan when they arrive

Mandatory Group Insurance: Waiver

Pros:

One plan does not fit everyone

Students have an option (waiver form)

You are not faced with angry students or their spouse or their parents

Cons:

Resources and expertise to build requirements for the waiver

Cost and knowledge to evaluate the waiver (resources)

Time commitment

Who falls under this plan:

Typically mid- and large-sized institutions who have the resources.



Kansas State University

Figures:

Total Student Body population: 24,378

International Students: 2,045

Top Ten Countries:

China, India, Saudi Arabia, Ecuador, South Korea, Kuwait, Sri Lanka, Nepal, Japan and Iran

Kansas State University

- ▶ History of Health Insurance at Kansas State
 - Beginning of Fall 2007 Kansas Board of Regents required health insurance for all international students on F and J visas.
 - Initially all Regents schools collaborated to develop a “waiver” form.
 - Moved from paper to online in Fall 2009

Educating Our Students

- ▶ At Admissions:
 - student notified insurance required
 - student receives informational with admission letter and I-20/DS-2019

- ▶ Upon Arrival:
 - Information provided at required orientation session about the fee and waiver process
 - Insurance rep. available at Resource Fair
 - Health Center provides information session

Kansas State University Waiver

K-State International Student Health Insurance Waiver Form

Health insurance is required for all international students at schools governed by the Kansas Board of Regents, which includes Kansas State University. To obtain a waiver, this form must be completed and approved. If approved, the charge will be removed from your account. Questions should be referred to the Insurance Coordinator at insure@ksu.edu. Additional information is available at <http://www.k-state.edu/iss/current/healthinsurance.html>

I am a GTA/GRA: Yes No

If you are a graduate student with a GTA/GRA appointment and health insurance is provided as a benefit, you must purchase health insurance through Human Resources. It is your responsibility to enroll in the health insurance. Once you have purchased your health insurance through Human Resources, you then need to complete this form. If it is approved, then the insurance charge will be removed from your student account.

Insurance Information:

Name of Insurance Company:
Insurance Policy Number:
Coverage Effective Date (must enter an actual date (MM/DD/YY):
Coverage Ending Date (must enter an actual date (MM/DD/YY):
<i>Coverage period must always begin on or before the first day of classes and be valid through the last day of classes for the semester</i>

IF YOU ARE NOT SURE HOW TO COMPLETE THIS FORM, CONTACT YOUR INSURANCE COMPANY AND ASK THEM TO VERIFY THE REQUIREMENTS LISTED BELOW.

Does your plan:

Have a minimum \$100,000 or greater medical benefit for each sickness?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Have a minimum \$100,000 or greater medical benefits for each accident?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Have a deductible of \$500 or less per individual, per policy year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Include inpatient and outpatient coverage for both sickness and accident?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Have at least \$10,000 for repatriation (removal of remains after death)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Have at least \$15,000 for medical evacuation to your home country?	<input type="checkbox"/> Yes <input type="checkbox"/> No

IF YOU CHECKED "NO" FOR ONE (OR MORE) OF THE ABOVE, YOUR POLICY DOES NOT MEET THE MINIMUM REQUIREMENTS; THEREFORE, THE HEALTH INSURANCE CHARGE WILL NOT BE REMOVED FROM YOUR ACCOUNT, AND YOU WILL AUTOMATICALLY BE ENROLLED IN THE UNITED HEALTHCARE INSURANCE PLAN. IF YOU PURCHASE ADDITIONAL COVERAGE SO THAT YOUR PLAN QUALIFIES FOR A WAIVER, PLEASE RESUBMIT THIS FORM.

Assessment:

By selecting YES to the statement below and signing this form, I am attesting that the insurance coverage information provided meets the minimum requirements for Kansas State University. I understand that I am legally responsible for any expenses incurred during my enrollment in the event that I do not comply with this requirement. K-State will not be responsible for any medical expenses.

I certify that information provided by me is accurate and true. I am responsible for any incorrect or false information, whether intentional or otherwise.

I HAVE READ AND UNDERSTAND THE ABOVE INFORMATION ON THIS FORM: YES NO

Signature _____	Date _____
-----------------	------------

International Student & Scholar Services
104 International Student Center, Kansas State University
Manhattan, KS
Phone: 785.532.6448 Fax: 785.532.6607 Email: iss@ksu.edu www.ksu.edu/iss Rev 6/09

The Waiver Process

- ▶ The premium amount for our group plan is assessed to a student's tuition account upon enrollment
- ▶ Student has the choice to pay the fee or submit a waiver form.
 - If the waiver is approved prior to the deadline, the fee is removed from the student's account
- ▶ A list is submitted to company for all those needing to be enrolled

Mandatory Group Insurance: No Waiver

Pros:

- Less time for administration (no option to waive and know the plan)
- Rate will be less with everyone using the same plan (adverse selection)
- Relationship with the insurance company
- Can customize group plan

Cons:

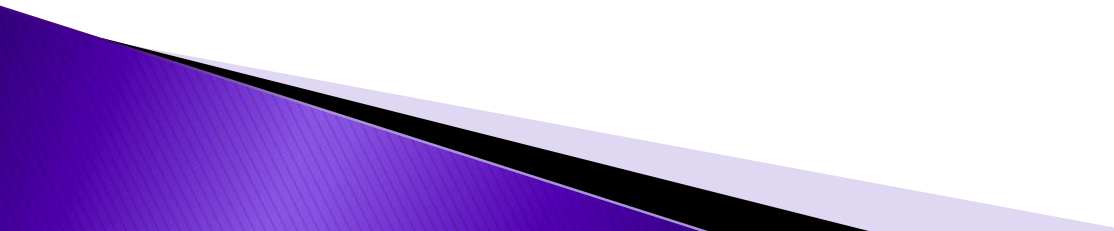
- Tough luck– no option for students who may have a good plan
- Is insurance a one size fits all?
- Affordability (financial hardship for students)
- Plan is typically underwritten (requires substantial amount of upfront administration)

Who falls under this plan:

- Schools with a large international student population



Changes Ahead...

- ▶ Fall 2013, Kansas State will only allow 'waivers' to students whose sponsorship includes health insurance and graduate students with GTA/GRA insurance coverage (this is a separate online enrollment process).
- 

Good vs. Not So Good

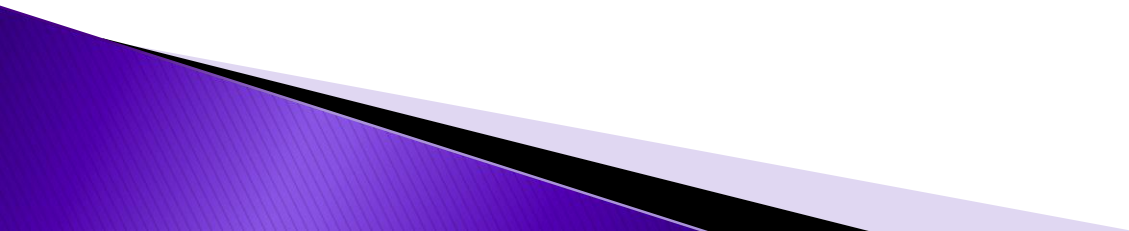
▶ The Good

- Deal with departments directly: HR and Cashier's
- More consistency with coverage for Health Center
- Processing of waivers and adjustment of fees

▶ The Not So Good

- Unhappy students
- Increased time with questions on claims etc. b/c of higher number of students with group plan coverage

Understanding Your Students



Understanding Your Students

▶ J-1 Exchange Visa (J-2 dependents)

Medical Benefits of at least \$50,000 per accident or illness

Repatriation of Remains in the amount of \$7,500

Expenses associated with the **medical evacuation** of exchange visitors to his or her home country in the amount of \$10,000

A **deductible** not to exceed \$500 per accident or illness

Plus a policy underwritten by an insurance carrier with:

an AM Best rating of "A-" or above

an Insurance Solvency International, Ltd (ISI) rating of "A-I" or above

a Standard and Poor's Claims Paying Ability rating of "A-" or above

or a Weiss Research, Inc. rating of "B+" or above

▶ Anticipated Changes Ahead

Medical Benefits of at least \$200,000 per accident or illness

Repatriation of remains in the amount of \$25,000

Expenses associated with the **medical evacuation** of exchange visitors to his or her home country in the amount of \$50,000

Understanding Your Students

▶ F-1 International Student Visa (F-2 dependents)

The US Government does not have minimum insurance standards for incoming international students

Instead, insurance requirements are determined by the school and in many cases must meet state mandated benefits.



Understanding Your Students

- ▶ Considerations for Student on OPT

Students participating in Optional Practical Training frequently run into periods of time when they are not students but also do not have jobs and still are in status.

Does your university provide/require insurance for students in these situations?

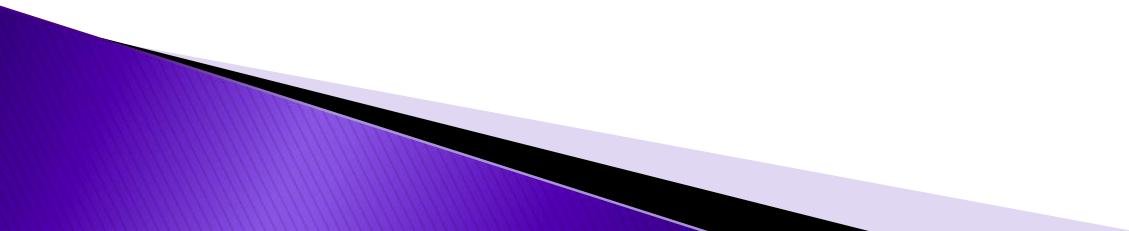
Understanding Your Students

- ▶ Considerations for Student on OPT

Students participating in Optional Practical Training frequently run into periods of time when they are not students but also do not have jobs and still are in status.

Does your university provide/require insurance for students in these situations?

Evaluating and Customizing Your Insurance Plan



Health Care in the United States

Fact: According to the World Health Organization, the United States is the most expensive country for health care.



US Expenses Spelled Out

- ▶ The average cost of a visit to an urgent care clinic can be up to \$200.
- ▶ Going to a hospital emergency room is usually at least \$500.
- ▶ The daily hospital charges for room, meals, and doctor fees are around \$2,500, this does not include medicine, surgery, or any other expenses.
- ▶ Having a child in the U.S. is expensive! The average cost starts at \$9,000 (normal delivery).

Keeping this in mind,
what do you need to consider when
providing insurance for your students?



Insurance Considerations

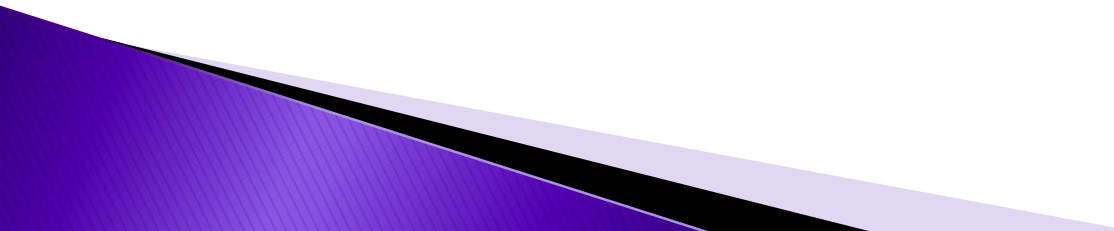
- ▶ **Policy Maximum**
 - Lifetime Maximum
 - Annual Maximum
 - Per Condition Maximum
- ▶ **Out-of-pocket expenses**
 - Deductible
 - Co-pay
 - Coinsurance
- ▶ **Emergency Medical Evacuation**
- ▶ **Repatriation of Remains**

Insurance Considerations

- ▶ **Maternity**
- ▶ **Sports coverage**
 - Organized sports
 - Recreational sports
 - Extreme sports
- ▶ **Pre-existing conditions**
 - Waiver for pre-existing conditions
 - Options include: Immediate/waiting period/excluded benefit
 - Acute onset of a pre-existing condition
- ▶ **Mental Health**
 - Substance and Drug Abuse
 - Suicide



Affordable Care Act: What We Know

- ▶ March 23, 2010:
Affordable Care Act was signed into law
 - ▶ March 21, 2012:
Final ruling on student health insurance plans
 - ▶ June 28, 2012:
United States Supreme Court upheld the
constitutionality of most of PPACA
- 

Affordable Care Act

- ▶ Requires all compliant student health plans (SHPs) to have:
 - **Annual Limits:**
 - Policy year July 1, 2012–September 23, 2012: Annual limits of no less than \$100,000
 - Policy year September 24, 2012 until December 31, 2013: Annual limits of no less than \$500,000
 - Policy year on or after January 1, 2014: No annual limits
 - **Preventative Care:** Student health coverage is required to provide preventive services without cost-sharing.
 - **Lifetime Limits:** Plan may not impose lifetime limits
 - **Pre-existing condition limitations:** Plans may not impose pre-existing condition limitation on those younger than age 19.
 - After 2014, pre-existing conditions cannot be excluded

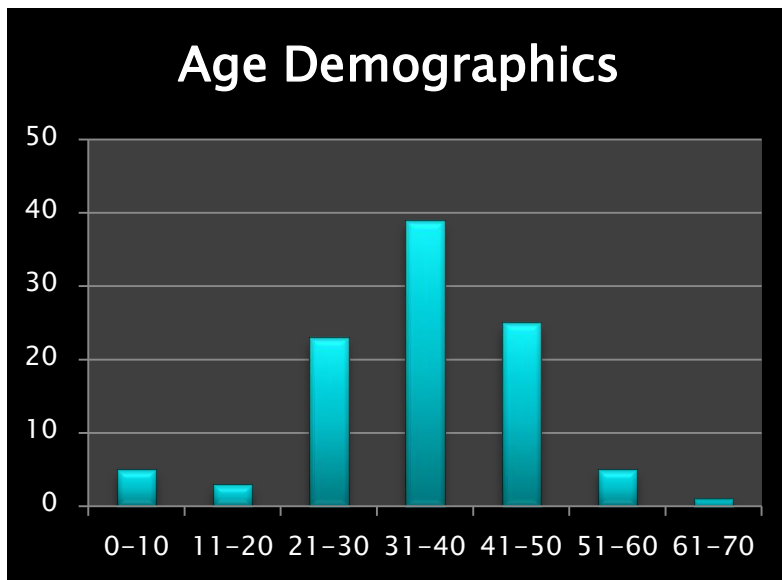
Affordable Care Act

- ▶ Individual mandate – January 1, 2014
 - ▶ If there is no minimum “essential health benefits” → tax payment
- ▶ ***Essential health benefits*** must include these 10 categories:
 - ▶ Ambulatory patient services
 - ▶ Emergency services
 - ▶ Hospitalization
 - ▶ Maternity and newborn care
 - ▶ Mental health and substance use disorder services, including behavioral health treatment
 - ▶ Prescription drugs
 - ▶ Rehabilitative and habilitative services and devices
 - ▶ Laboratory services
 - ▶ Preventive and wellness services and chronic disease management, and
 - ▶ Pediatric services, including oral and vision care

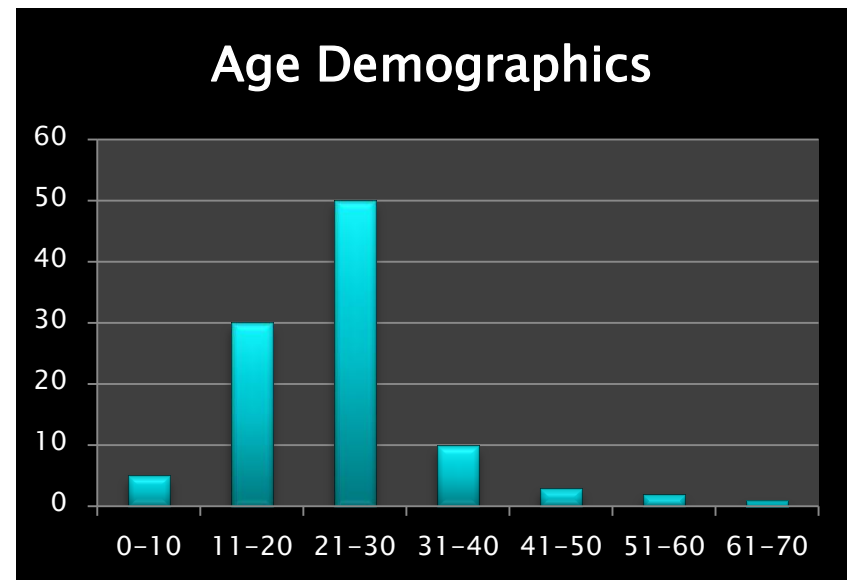
The Underwriting Process: Try it yourself!



Which plan will have an increased premium?



Choice 1.



Choice 2.

Which person will have an increased premium?



Choice 1.



Choice 2.

Which plan will have an increased premium?



Choice 1.



Choice 2.

What factors do you need to consider in this claims report?

**Claims History Report
2008-2010**

2010

Premium: \$576,530

Claims: \$415,256

2009

Premium: \$560,243

Claims: \$299,058

2008

Premium: \$547,082

Claims: \$240,558

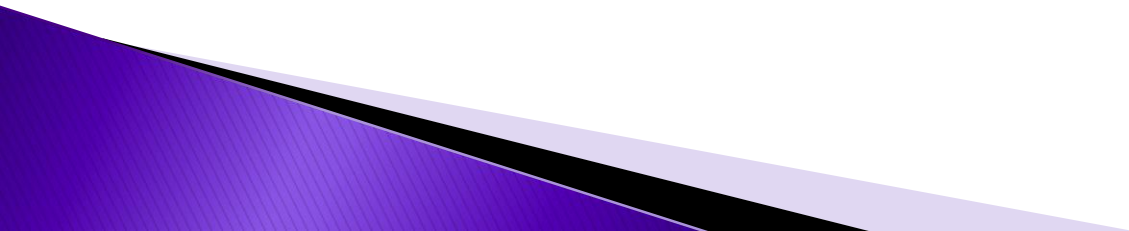
Evaluating Your Insurance Plan

- ▶ Insurer and Rating Agencies
 - ▶ AM Best
 - ▶ Standard and Poor's
 - ▶ Better Business Bureau
- ▶ Customer Service/Account Management
 - ▶ Point-person
 - ▶ 24/7
 - ▶ Mediums of service
 - ▶ Service statistics

Evaluating Your Insurance Plan

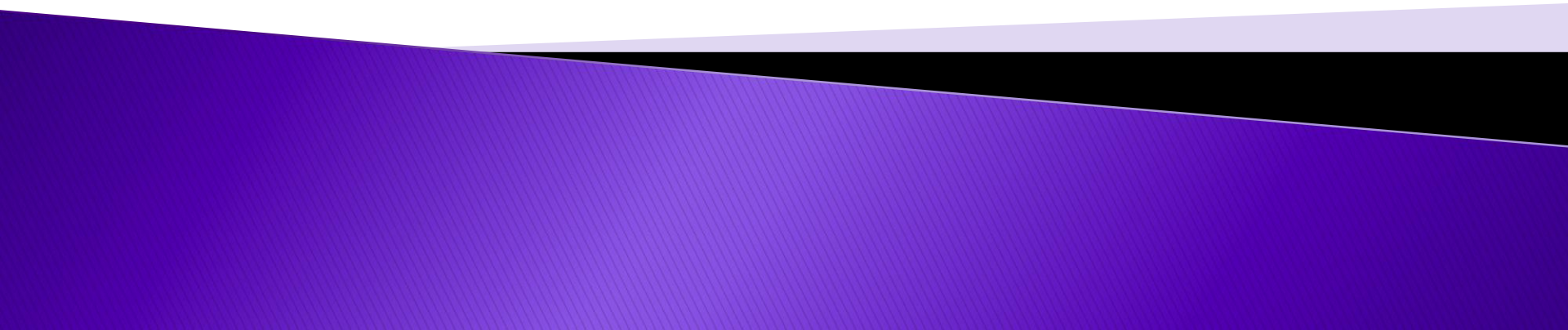
- ▶ **Provider Network**
 - ▶ Mandatory, optional, or none?
 - ▶ URC
 - ▶ Where are they located?
 - ▶ Claims process in and out of network
- ▶ **Enrollment Process**
 - ▶ Enrollment process
 - ▶ Documents
 - ▶ Billing
 - ▶ Coverage date flexibility
- ▶ **Precertification Requirement**
- ▶ **Internal Benefit Caps/Limits**

Working With Your International Students



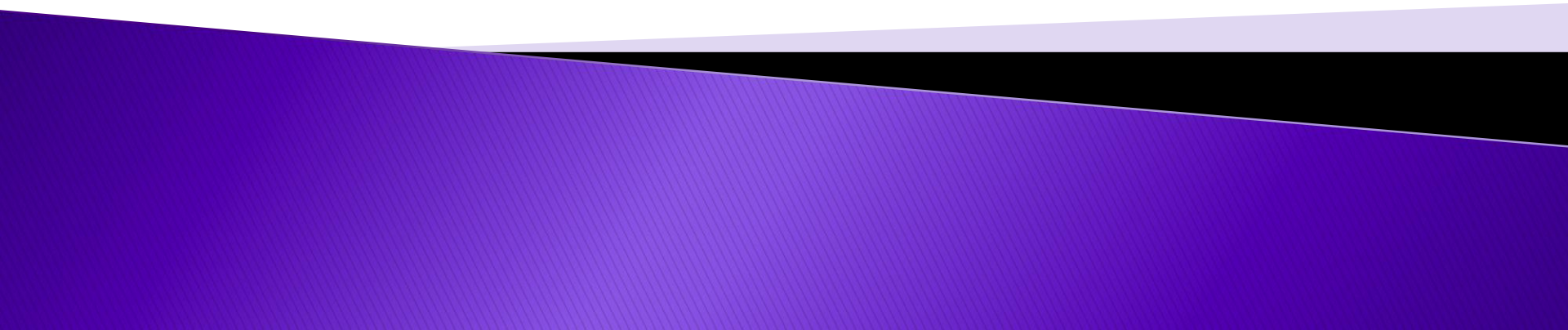
Insuring Our Students– How it's Done at Doane

Practical Experience:

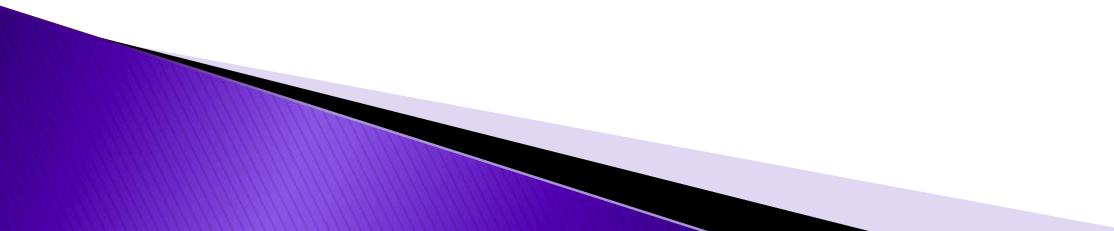
- Is coverage adequate and continuous?
 - Students have mixed levels of satisfaction with their insurance choice
 - Students who purchase study abroad coverage at home before departure seem the most satisfied
- 

Insuring Our Students– How it's Done at Doane

Where I'd like to be:

- One group plan to required for all students
 - Renewed yearly
 - Cost added to student account
- 

Concerns and Issues

- ▶ High cost of premium for student and dependents
 - ▶ Adequate coverage of group plan vs. alternative plans
 - ▶ Processes: semester basis; confusing process for waiver, GTA/GRA enrollment
- 

Thank you!

Jennifer Frankel

jfrankel@internationalstudentinsurance.com

International Student Insurance

224 First Street

Neptune Beach, FL 32266

Toll Free USA (888) 247-1387 ext 104

Direct +1 (904) 247-1387 ext 104

Janet Willems

jan.willems@doane.edu

Doane College

1014 Boswell Avenue

Crete, NE 68333 USA

(402) 826-8215

Stacey Bailey

sbails@k-state.edu

Kansas State University

International Student and Scholar Services

Manhattan, KS 66506

(785) 532-6448