

**Insurance Options for
College Students in Texas:
A Study of Student
Health Insurance Plans**



**Texas Department
of Insurance**

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Executive Summary

In Texas, young adults aged 18 to 24 have the highest risk of being uninsured of any age group. A significant proportion of people in this age group are enrolled in Texas colleges and universities. National data shows that young adults attending college are more likely to have insurance than those who do not attend college; however, college students are disproportionately at risk of lacking insurance coverage when compared to the population in general.

When considering how to reduce the high insured rates of young adults, college students deserve special attention. This population alone has access to student health insurance plans that are generally offered through colleges to students. Student health insurance plans are insurance products offered by commercial carriers that have contracted with colleges to make coverage available to some or all of their students. Student health insurance plans, which are separate from accident-only policies, are offered by most colleges in addition to routine medical services that may be provided at a reduced cost through a health center on campus.

This unique vehicle through which students can obtain coverage could be one way that coverage is expanded in this population. Before efforts to expand this market may be considered, more information is needed about the relatively unexamined subjects of uninsured Texas college students and school-sponsored, student health insurance. From June 2004 through April 2005, the Texas Department of Insurance (TDI) conducted an in-depth examination of uninsured college students in Texas and college-sponsored, student health insurance in the state. The goals of the study were to: (1) develop a clear understanding of student health insurance in the state today, (2) identify the issues and opportunities related to insuring college students through school-sponsored plans, and (3) identify public policy options that could expand health insurance coverage to uninsured Texas college students through school-sponsored, student health insurance plans. Research for this project was funded in part by a federal State Planning Grant awarded to TDI to examine options for expanding health insurance.

Surveys

To collect data on uninsured college students and student health insurance. TDI conducted four surveys, each intended to evaluate the topic from a different perspective. The surveys included:

1. **A survey of most student health insurance policies sold through Texas colleges and universities.** TDI catalogued plan components from student health insurance plans offered at 65 Texas colleges and universities during the 2004-2005 academic year.

2. **A survey of current Texas college students.** TDI surveyed over 2,500 college students on nine campuses across the state in February and March of 2005. In addition to collecting demographic information, the survey asked students whether or not they had insurance coverage and through what means they obtained coverage or why they lacked coverage.
3. **A survey of Texas college and university administrators.** From August to November 2004, TDI surveyed Texas colleges to determine how many offer a student health insurance plan to students. This survey also collected data on the extent of college-level requirements that some or all students have health insurance coverage as a condition of enrollment.
4. **A survey of insurance carriers writing student health insurance in Texas during the 2004-2005 academic year.** This survey collected data on the experience in the student health insurance market and the number of lives covered by these plans.

Data Highlights

Student Health Insurance Policies in Texas

- The average cost for student-only coverage in a student health insurance plan in Texas ranges from \$718 to \$786 per school year.
- Student health insurance policies tend to have limited benefits and multiple exclusions when compared to employer-sponsored coverage.
- About one-half of policies offered in Texas extend eligibility to any registered student, but the other half extend eligibility to only those students registered in a minimum number of hours. Minimum hour requirements for eligibility ranged from 3 to 12 hours, but a minimum of 6 hours was the most frequent cutoff for which students were eligible for the plan.
- Most policies offer limited catastrophic coverage. The most frequent catastrophic coverage limit was \$50,000 per accident or illness.
- Three-fourths of Texas policies offer some prescription coverage, but most cap coverage per year. The average prescription coverage limit was around \$500 per year.
- Two-thirds of policies offer some coverage for inpatient and outpatient mental health, but most limit this coverage. Common limitations to inpatient mental health coverage include \$3,000 per year and 30 days per year. A common

limitation placed on outpatient mental health care is coverage for \$50 per visit up to a maximum of \$500 per year.

- Policies generally exclude pre-existing conditions for the first 12 months if the student lacked prior coverage.
- More than one-half of policies contain exclusions for routine exams and preventative care, injuries obtained while under the influence of alcohol or drugs, injuries resulting from “high risk” activities such as skydiving or bungee jumping, injuries from fighting except when in self defense, self-inflicted injuries including attempted suicide, elective abortions, and organ transplants.

Insurance Coverage and Current Texas College Students

- An estimated 36 percent of students attending public colleges are uninsured and 23 percent of students attending private colleges are uninsured.
- In general, students with the highest risk of being uninsured include non-traditional aged students, single parents, Hispanic students, students not in good health, students not required to have coverage by their college, students whose education is primarily financed by the military, and students in their senior year.
- In general, students with the greatest chance of having insurance coverage include those whose education is primarily financed by their parents, those required to have insurance by their college, PhD. students, students who work full-time, and married students with no dependent children.
- Seventy-eight percent of surveyed college students said that health insurance coverage is very important, 20 percent said it is somewhat important, and only two percent reported thinking that coverage is not important.
- About one-half of all students surveyed indicate a willingness to pay up to \$50 each month for coverage; however, only 38 percent of uninsured students would pay more than \$50 a month for coverage.
- Thirty percent of uninsured students lacked coverage for more than three years, and 30 percent of uninsured students had lacked coverage for less than one year.
- Seventy-one percent of uninsured students said they lacked coverage because it was too expensive.
- Fifty-four percent of uninsured students said they did not buy the school-sponsored student health insurance plan because it was too expensive, and 36 percent reported not knowing about the plan.

Plans Offered by Texas Colleges

- Sixty-three percent of Texas colleges reported offering a student health insurance plan.
- Health-related institutions and public universities are more likely to offer a student health insurance plan than private colleges or junior colleges.
- No college reported difficulty finding a carrier that would provide coverage to their students.

Coverage Requirements for Students

- Few colleges in Texas require all students to have insurance coverage as a condition of enrollment, but that trend is growing nationwide.
- 12 percent of Texas colleges reported requiring all students to have coverage, 61 percent require certain students to have coverage and 27 percent do not require coverage for any student.
- Of the 12 colleges that reported requiring all students to have health insurance coverage, seven are health-related institutions, and the other five are private colleges.
- Almost all public universities in Texas only require international students to have health insurance coverage. Coverage is voluntary for all other students.

Plan Enrollment Rates

- In general, enrollment in student health insurance plans in Texas is relatively low. The average enrollment rate in fall 2003 was 11 percent of the student body and the median enrollment rate was just six percent of the student body.
- Enrollment rates are highest at health-related institutions. Enrollment rates at private colleges are higher than those at public colleges.
- The median enrollment rates at colleges which require students to have coverage is 29 percent.
- The ability to pay for coverage as part of tuition and fees and the requirement that students must accept or reject coverage during registration are both linked to higher plan enrollment rates.
- Enrollment in plans drops over the summer. In 2003 and 2004, enrollment dropped 12 to 15 percent from the spring semester to the summer semester. The

decline is due in part to an insurer provision that requires students to be enrolled in summer classes to purchase coverage at the beginning of the summer term.

Student Health Insurance Market

- At least ten carriers wrote student health insurance during the 2004-2005 academic year. Of these, five have been in the Texas student health insurance market two years or less, and four have been in for ten years or more. Nine of ten carriers in the Texas market indicated they were considering expanding business.
- Total student health insurance premiums written in 2003 for the seven companies writing were \$22,200,000. Total claims paid were \$19,500,000.
- In 2003, the market was relatively concentrated in two companies. The largest accounted for 59 percent of written premiums, and the second largest carrier wrote 22 percent of total premiums.
- Insurers reported covering 56,000 lives in student health insurance plans at any time in 2003, and they covered 37,500 lives on September 15, 2004.

Conclusions and Policy Options

School-sponsored, student health insurance plans provide insurance coverage for tens of thousands of college students in Texas, and they could potentially provide access to coverage for hundreds of thousands of Texas college students that are currently uninsured. These plans have both benefits and limitations, which make it debatable whether expanding the student health insurance market would be a good way to provide coverage to more college students.

Students can benefit from school-sponsored plans that are designed to integrate with health services offered on campus, and students in less than perfect health can greatly benefit from the prohibition of medical underwriting in these plans. From an enrollee's perspective, the limitations of these plans may include affordability issues, relatively low benefit levels compared to employment-based group plans, multiple exclusions, limited eligibility for part-time students, and limited accessibility over the summer.

If an expansion of the student health insurance market is deemed desirable, options exist at both the college-level and state-level to expand coverage to uninsured college students through student health insurance plans. More students could be encouraged to take advantage of coverage through these plans by policies that address more effective plan promotion, increasing accessibility and affordability of coverage, increasing the size of insured pools, adjusting coverages, increasing communication between colleges and providing more education to students on the value of health insurance protection.

Crafting public policies that expand coverage to uninsured college students and achieve an appropriate balance of affordability, adequacy and accessibility for student health insurance plans will prove challenging but could result in benefits to students, colleges and the State of Texas.

Introduction

In 2001, the Texas Department of Insurance (TDI) was awarded a State Planning Grant from the Health Resources and Services Administration of the U.S. Department of Health and Human Services to collect data on the uninsured population in Texas and evaluate options for expanding health insurance coverage. With this funding, TDI did extensive research on the uninsured population in Texas and the small employer health insurance market in Texas. Several changes subsequently enacted during the 2003 Texas legislative session were aimed at making health insurance more affordable and accessible for uninsured Texans.

In 2003, TDI was awarded supplemental grant funds to extend its research on methods to expand health insurance coverage. The additional funding was used to evaluate the effectiveness of policies implemented in 2003, as well as to expand research into areas of opportunity identified under the original grant.¹ One such area that became a focus of research under the supplemental grant was the uninsured college population and college-sponsored, student health insurance. Prior to this study, little information had been compiled on student health insurance in Texas. It was unclear how many colleges offered such coverage to students, how many students were enrolled, which students were required to have health insurance coverage as a condition of enrollment, and how many carriers wrote this coverage in the state. As part of this project, TDI gathered information from Texas colleges and universities, insurers who write student health insurance, and current college students. The ultimate goals were to: (1) develop a clear understanding of student health insurance in the state today, (2) identify the issues and opportunities related to insuring college students through school-sponsored plans, and (3) identify public policy options that would expand health insurance coverage to uninsured Texas college students through school-sponsored student health insurance plans.

The following report summarizes the research, findings, and policy options generated under TDI's year-long investigation into the circumstances under which Texas college students have access to and use health insurance coverage available through colleges and universities. Chapter 1 provides statistics showing the extent of uninsurance among young adults in Texas in general and among the college student population specifically. An overview is also provided on how college students access health insurance and how that differs from the population in general. The chapter discusses reasons why young adults and college students traditionally have high uninsured rates and why health insurance coverage is important to this population.

Chapter 2 defines student health insurance plan coverage and explains how it differs from other health insurance products. An overview of the plans that are currently offered through colleges and universities in Texas is provided. This chapter also discusses the growing trend for states and colleges to mandate insurance coverage for students and discusses the different forms such mandates can take.

Chapter 3 discusses the results of a survey of more than 2,500 Texas college students from nine colleges and universities across the state. College students were asked about their attitudes toward health insurance and their own health insurance coverage or lack thereof. This chapter provides insight into the racial/ethnic, gender, and age dimensions of current Texas college students that are uninsured and discusses their reasons for lacking health insurance coverage.

Chapter 4 presents findings from a statewide survey of colleges and universities about student health insurance plans offered through colleges to students. This chapter provides data on how many colleges make such plans available and how that differs between four-year public universities, private colleges, junior colleges, and medical schools/health-related institutions. This chapter also provides information on how many colleges have policies requiring some or all students to have health insurance coverage and which students are subject to those requirements.

Chapter 5 provides the enrollment rates in school-sponsored health insurance at Texas colleges and looks at the differences between student health insurance plans with relatively high enrollment and those with low enrollment. Various factors that may lead to higher enrollment in student health insurance plans are discussed.

Chapter 6 presents findings from a survey of carriers that write student health insurance coverage in Texas. This chapter discusses the experience in the market as well as market concentration. An overview of benefits and exclusions offered in approved policy forms is also provided.

Finally, Chapter 7 discusses the limitations and benefits of student health insurance that were identified over the course of TDI's research. Based on ideas and data discussed in the previous six chapters, this chapter provides a list of policy options intended to expand health insurance coverage to more Texas college students through student health insurance plans.

Notes

¹ For more information on all research and analysis activities undertaken as part of the original and supplemental State Planning Grants, go to www.tdi.state.tx.us/company/spg.html.

Chapter 1. Health Insurance Coverage among Young Adults and the College Student Population

Young adults aged 18 to 24 are in the age range at the highest risk of being uninsured in Texas, and the college student population in Texas exhibits high uninsured rates. Full-time college students are more likely to have health insurance than part-time students or young adults who do not enter college; however, even full-time college students are disproportionately at risk of being uninsured.¹ Generally, this population is thought of as young and healthy, so the consequences of uninsurance among young adults and college students may not seem severe. Health insurance coverage is an important factor, however, to help individuals in this population maintain their health and avoid financial hardships. This chapter discusses the extent of uninsurance among the young adult and college student populations and the reasons why these populations disproportionately lack coverage. Data is provided on how college students access insurance and the extent to which college requirements for coverage vary among schools.

Uninsured Young Adults

The Uninsured Young Adult Population in Texas

Texas has the highest uninsured rate in the nation. In 2003, one-quarter of all Texans, or 5.37 million people, lacked health insurance coverage compared to the national uninsured rate of 15.6 percent.² Rates of uninsurance vary dramatically by age. Table 1.1 shows the Texas uninsured population and rates by age in 2002. The age group with the highest risk of being uninsured is young adults ages 18 to 24 years old. In 2002, 42.5 percent of Texans in this age group, or approximately 955,000 young adults, lacked health insurance, and the numbers are increasing. In one year, the rate of uninsurance for 18 to 24 year olds in Texas increased nearly 10 percent from the 38.7 percent uninsured in 2001 to 42.5 percent. Uninsured young adults ages 18 to 24 constituted more than 17 percent of the total uninsured population in Texas in 2002. The 25- to 34-year-old age group also shows high rates of uninsurance. In 2002, 37 percent of this age group lacked health insurance coverage, and uninsured 25 to 34 year olds accounted for 22 percent of the total uninsured population in Texas.³

Factors Leading to Uninsurance in Young Adults

Multiple factors explain why 18 to 24 year olds are particularly susceptible to being uninsured. The life transitions experienced by young adults both leave this age group vulnerable to losing insurance coverage and cause them to have unstable insurance coverage.⁴ Children covered by public insurance often lose their eligibility when they reach adulthood. Children covered under the Children's Health Insurance Program

(CHIP) in Texas lose eligibility when they turn 19, and eligibility criteria for Medicaid coverage becomes much more stringent when enrollees turn 19.⁵

Table 1.1
Texas Uninsured Population and Rates by Age, 2002

Age Range	Number Uninsured	Percent Uninsured within Age Group	Percent of Total Uninsured Population
0 – 6	480,163	19.65%	8.64%
7 – 17	872,044	24.19%	15.70%
18 – 24	955,337	42.48%	17.20%
25 – 34	1,222,205	37.10%	22.00%
35 – 44	953,315	30.15%	17.16%
45 – 64	1,031,520	22.19%	18.57%
65 and over	41,014	1.93%	0.74%
Total	5,555,598	25.81%	100.0%

Source: Texas Department of Insurance, *Working Together for a Healthy Texas: Interim Report of the Texas State Planning Grant* (Austin, Tex., September 30, 2004), p. 13. Online. Available: <http://www.tdi.state.tx.us/general/pdf/spgint04.pdf>. Accessed: March 7, 2005. Data from the March 2003 Current Population Survey. Analysis by Texas Health and Human Services Commission.

Young adults in many states risk losing coverage through their parents on their 18th or 19th birthday unless they are enrolled in college full-time. A 2004 national survey of employer-sponsored health plans found that nearly 60 percent stop covering 18- or 19-year-old dependents who are not enrolled in college.⁶ Texas law, however, requires fully-insured group and individual health plans to allow parents to continue coverage of unmarried dependents until they turn 25, regardless of school or work status.⁷ (Note: This provision does not apply to self-funded group plans exempt from state regulation under ERISA.) Prior to the passage of this provision in 2001,⁸ Texas law allowed plans to terminate coverage for children at age 19 if not attending school, or age 23 if the dependent was in college.⁹

Young adults are also less likely to have access to employer-sponsored health insurance than older adults. This is especially true of young adults that do not go to college. Often, when young adults join the labor force, they work in jobs that are the least likely to offer health insurance coverage. Even young adults that can access insurance through their employers may not be able to afford the required premiums, and they remain at risk of unstable coverage because younger workers tend to change jobs more frequently than older workers.¹⁰

Health Insurance and College Students

The Uninsured College Population

Nationally in 2002, 19 percent of full-time college students were uninsured,¹¹ which was nearly 4 percentage points higher than the national uninsured rate.¹² Also, in 1999, 29 percent of part-time college students lacked insurance.¹³ Among young adults that graduated from high school from 1996 to 2000 and enrolled in college, 23 percent lacked health insurance at some point during their freshman year in college.¹⁴ Estimates of the total uninsured rate among all college students range from 25 percent to 33 percent.¹⁵

How College Students Access Insurance

The majority of non-elderly Americans obtain health insurance coverage through an employer. Nationally in 2003, 62 percent of the non-elderly had employer-sponsored health insurance coverage. Most college students are able to access insurance in two ways many other adults cannot. First, many college students can remain covered by a parent's employer-sponsored health insurance. Second, most colleges and universities make student health insurance plans available to their students. This school-sponsored coverage provides a unique vehicle through which college students can access health insurance coverage. One-quarter of students are covered under either school-sponsored plans, an individual plan or a public health plan, including private individual plans, school-sponsored student health insurance, and public health insurance.¹⁶ Almost one-half of full-time college students have employer-sponsored insurance coverage as a dependent, and an additional 7 percent have employer-sponsored insurance from their own employment.

Benefits of Health Insurance for College Students

In general, college students tend to be relatively healthy, yet health insurance can provide many benefits to this population. Insurance coverage can help students meet their health care needs, especially when such care involves services not available on campus. For example, students may access primary care for the treatment of common infectious illnesses¹⁷ and sexually transmitted diseases.¹⁸ Regular preventive care is important to students, especially female students, for whom annual Pap smears are recommended once they reach age 18.¹⁹ Mental health care is increasingly important for college students. A study by the American College Health Association found that almost one-half of college students had trouble functioning at some point in college due to feelings of depression. In addition, stress, eating disorders, drug and alcohol abuse, and thoughts of suicide are all conditions for which college students frequently need access to mental health care.²⁰

Health insurance protects students and their families from high medical costs associated with serious injuries or illnesses. Though generally healthy, traditional-aged college students need access to acute care. In 2002, the leading cause of death among 15 to 24

year olds was unintentional injury.²¹ As seen in Table 1.2, young adults ages 18 to 24 are much more likely to have injury-related emergency room visits than older adults or children. From 2001 to 2002, 14 percent of all injury-related emergency room visits were made by 18 to 24 year olds.²²

Table 1.2
Injury-Related Emergency Room Visits per 10,000 Persons
by Age and Gender, 2001-2002

	Male	Female
Under 18 years	1,635	1,180
18-24 years	2,317	1,635
25-44 years	1,775	1,311
45-64 years	1,036	974
65 years and over	1,193	1,369
All ages	1,556	1,239

Source: National Center for Health Statistics, *Health United States 2004* (Hyattsville, Md.: NCHS, 2004), Table 84. Online. Available: <http://www.cdc.gov/nchs/data/hus/hus04.pdf>. Accessed: March 8, 2005.

Students that lack health insurance coverage may have difficulty accessing necessary care. A survey of uninsured young adults ages 19 to 29 found that they were more than twice as likely as insured young adults to say that they “would wait as long as possible to seek care when sick.”²³ Additionally, 56 percent of uninsured young adults reported foregoing needed health care because of costs, compared to 33 percent of young adults with insurance coverage.²⁴ Keeping continuous coverage during college will also help students access care after they graduate. Assuming a graduate maintained continuous insurance coverage in the year prior to graduation and takes a job that offers health insurance without a break in coverage of more than 63 days, he or she will not have any pre-existing conditions excluded during the first year of job-based coverage.

Finally, health insurance coverage during college will help teach students about health insurance and its value. College years often serve as a transition from dependence to independence, and a time when students begin to take on adult responsibilities. During their college years, students are likely to assume a more direct role in seeking and paying for medical care, and in doing so, will be made aware of the high costs of medical care and prescription drugs. Having and using insurance coverage during this time will give students a better understanding of and appreciation for the importance of coverage, and may increase the likelihood that they will continue to remain insured upon entering the job market.

Health Insurance Coverage Requirements for College Students

There is a growing trend at colleges and universities nationwide to require all college students or full-time college students to have health insurance coverage. Most colleges do not specifically require participation in the school-sponsored plan, but they make such coverage available to students who do not have insurance through their parents or some other means.²⁵ The American College Health Association, an advocacy and education organization for college and university health programs, recommends that colleges require their students to provide proof of health insurance coverage as a condition of enrollment.²⁶ For the most part, colleges in Texas do not require coverage for all students. Coverage requirements in Texas will be discussed in depth in Chapter 4. This section defines the different types of insurance requirements, identifies populations to which these requirements apply, and discusses reasons for insurance coverage requirements.

Types of Student Health Insurance Requirements

Student health insurance requirements range from fully voluntary to fully mandatory. A fully voluntary plan does not require any student to have coverage, and any student who wants coverage purchases it directly from the carrier. A forced answer system is next on the continuum. Under this system, students are still not required to have coverage, but they are required to either accept or reject insurance before school registration can be completed. If a student accepts coverage or fails to reject it, premiums are added to the tuition and fee bill.²⁷

Under mandatory systems, some or all students are required to have coverage as a condition of enrollment. Often, mandatory systems let students waive school-sponsored coverage if they have alternate coverage through their parents, their spouse, a job, etc. A request for a waiver must be returned by a certain date with the required proof of coverage or the student is automatically enrolled in the school-sponsored plan. A loose waiver system only requires students to attest that they have alternate coverage by signing a form or checking a box. A hard waiver system requires students to submit specific proof of coverage, often a copy of an insurance card, with their waiver application. Finally, a few colleges mandate coverage in the school-sponsored plan for some or all students. Under this system, students are automatically enrolled in the student health insurance plan and cannot be granted waivers if they have alternate coverage.²⁸

States and College Systems with Coverage Requirements

Currently three states - Massachusetts, New Jersey, and Idaho - require college students to have insurance coverage. Kentucky had a coverage mandate, but it was overturned by a county circuit court in 1992, less than a year after it went into effect.²⁹ In addition, the governing boards of large university systems have instituted coverage requirements in

Montana, California, Illinois, and Minnesota. Finally, many individual schools have chosen to require insurance for students. Nationally, about 90 percent of private colleges and 25 percent of public universities mandate health insurance coverage for students.³⁰ With the exception of colleges in California, public universities with voluntary student health insurance plans are primarily located in the south and southwest states, which tend to have high uninsured rates.³¹

Massachusetts

The statute requiring college students to carry health insurance in Massachusetts has been in place since 1989. It requires all students attending college three-fourths of full-time or more to have coverage in a qualifying student health insurance program (QSHIP) offered through their college or an alternate plan with comparable coverage. Students with alternate coverage must waive QSHIP participation annually. Minimum standards for QSHIPS are defined in statute. They include a maximum benefit of at least \$25,000, 60 days inpatient mental health coverage, 24 visits annually for outpatient mental health, and hospital expenses must be paid at 80 percent of reasonable and customary charges. Maximum co-pays are set at \$100 for emergency room visits with no admission and \$50 if admitted, \$50 for outpatient hospital services, and \$25 for physician visits. Pre-existing conditions must be covered no later than six months after enrollment and alternate coverage must have accessible services in the area of the college. The law also sets up an annual reporting requirement from colleges to the Massachusetts Division of Health Care Finance and Policy.³² In 2002, about 70 percent of college students, or 289,000 people, in Massachusetts were required to carry insurance under this statute. Of these students, about 30 percent enrolled in school-sponsored QSHIPS and 70 percent received a waiver for alternate coverage.³³

New Jersey

In 1991, the New Jersey Legislature passed legislation requiring all full-time students in public and private institutions of higher education to have health insurance coverage. In addition, it required all institutions of higher education to make student health insurance plans available to their students. The law also requires colleges to take the costs of health insurance into account when determining eligibility for financial aid. If students have alternate health insurance coverage, they must present proof of it to their school annually to receive a waiver from the school-sponsored coverage.³⁴

Idaho

In 2002, the Idaho Board of Education implemented regulations requiring public, four-year universities to offer student health insurance and all full-time students at such institutions to maintain health insurance coverage. Colleges may allow students to waive the school-sponsored plan if they provide proof of equivalent alternate coverage. Additionally, colleges must monitor and enforce this requirement.³⁵

Requirements in Large University Systems

In several states that do not have state laws requiring student health insurance coverage, the governing boards of public university systems have adopted such requirements. In 2000, the University of California System and the Montana University System passed student health insurance requirements. The University of Minnesota-Twin Cities has required health insurance since the 1970s. Beginning in the 2005-2006 academic year, this requirement will be extended to the other three campuses in the university's system. All public universities in Illinois require students to have health insurance coverage, but not as a result of a state law. Rather, each university's governing board individually adopted student health insurance mandates. Many date back to the 1970s.³⁶

International Students

Certain international students are required by federal law to have health insurance coverage in effect while they are studying at colleges in the United States. Students that come through formal exchange programs with J-1 visas and their dependents are required to have health insurance that meets minimum standards set by the U.S. State Department.³⁷ Though not required to by law, many international students with other types of visas, including those with F-1 visas, are required to have health insurance by their college. In many cases, international students are singled out for coverage requirements because they may be less familiar with the private health care system in the United States. Both international students and their colleges could face financial risks if uninsured, visiting students or their dependents incurred significant medical costs.³⁸

Medical Students

In Texas, governing boards of health-related institutions can require students to have insurance according to Senate Bill 505, passed in 2001. The law instructs schools' governing boards to determine the minimum standards for coverage required of students. In health-related institutions that require coverage, students may be provisionally enrolled for one semester without coverage so they have adequate time to obtain coverage. The law also requires schools to incorporate an estimate of the cost of insurance coverage into the cost of education for the purpose of determining financial aid.³⁹

Texas' law applies to the nine health-related institutions in the state.⁴⁰ One of the primary purposes for the law was to protect students at health-related institutions and the institutions themselves from the increased risks associated with direct patient contact.⁴¹ There was no opposition to the law when it was up for debate, but legislators were concerned about the affordability of coverage.⁴²

Reasons for Insurance Coverage Mandates

There are multiple reasons why states and colleges have adopted student health insurance coverage requirements. One primary reason is to address high uninsured rates and related problems on college campuses. The University of Ohio adopted an insurance requirement in part due to the difficulties faced by college health practitioners attempting to refer uninsured students off-campus for specialized medical care. They were concerned that uninsured students would not be able to access needed care other than what was available on campus or through an emergency room.⁴³ The University of California System adopted a measure requiring all undergraduates to have insurance in part because of increasing withdrawals due to health-related issues. Some students facing mounting medical bills were forced to drop out and others in HMOs had to move back home to get required, non-emergency health care.⁴⁴

Another primary reason that colleges have chosen to require health insurance coverage is to increase the viability of their insurance plan. If all students are required to have coverage, adverse selection will be avoided and risks will be spread over a bigger pool of students.⁴⁵ These factors should improve the experience of the plan and allow for lower premiums and/or expanded coverage. Voluntary plans tend to have more exclusions and lower benefit levels.⁴⁶ In many cases, voluntary student health insurance plans remain viable because international students, who are required to carry insurance, indirectly subsidize coverage for domestic students that opt in.⁴⁷ Additionally, if a student is subject to an insurance requirement, the cost of a student health insurance plan can be included in calculations to determine financial aid, making coverage more affordable for students.⁴⁸

Conclusion

Despite the fact that the college population is relatively young and healthy on average, health insurance coverage offers important protections to this population. Unfortunately, many college students lack health insurance. High uninsured rates among college students present many challenges both for uninsured students and the larger college community. Some colleges and states are attempting to address these problems by requiring coverage for students. While such requirements are not the only option available to colleges and states attempting to combat high uninsured rates on campuses, they are becoming more common.

Notes

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² Texas Department of Insurance, *Working Together for a Healthy Texas: Interim Report of the Texas State Planning Grant* (Austin, Tex., September 30, 2004), pp. 11-12. Online. Available: <http://www.tdi.state.tx.us/general/pdf/spgint04.pdf>. Accessed: March 7, 2005. Data from the March 2003 Current Population Survey.

³ *Ibid.*, p. 13. Analysis by Texas Health and Human Services Commission.

⁴ Collins et al., *Rite of Passage?*, p. 2.

⁵ Center for Public Policy Priorities, *Who Gets Health Care from Medicaid and CHIP in Texas?* (February 2003), pp. 2, 4. Online. Available: <http://www.cppp.org/products/alertsflyers/healthflyers/whogetsMC.pdf>. Accessed: March 18, 2005.

⁶ Sara R. Collins, Cathy Schoen, Michelle M. Doty and Alyssa L. Holmgren, *Job-Based Health Insurance in the Balance: Employer Views of Coverage in the Workplace* (New York: The Commonwealth Fund, March 2004), p. 6. Online. Available: http://www.cmwf.org/publications/publications_show.htm?doc_id=221573. Accessed: March 7, 2005.

⁷ Texas Insurance Code, Article 3.51-6, Section 1(b).

⁸ House Bill 1440, 77th Texas Legislature, regular session (2001).

⁹ Office of House Bill Analysis, *H.B. 1440 77(R) Bill Analysis*. Online. Available: <http://www.capitol.state.tx.us/cgi-bin/tlo/textframe.cmd?LEG=77&SESS=R&CHAMBER=H&BILLTYPE=B&BILLSUFFIX=01440&VERSION=5&TYPE=A>. Accessed: April 12, 2005.

¹⁰ Collins et al., *Rite of Passage?*, pp. 3-4.

¹¹ *Ibid.*, p. 3, Chart 5. Data from the 2001 Medical Expenditure Panel Survey. Analysis by Sherry Glied and Douglas Gould for the Commonwealth Fund.

¹² Texas Department of Insurance, *Working Together for a Healthy Texas*, p. 12 (online). Data from the March 2003 Current Population Survey.

¹³ Kevin Quinn, Cathy Schoen and Louisa Buatti, *On Their Own: Young Adults Living Without Health Insurance* (New York: The Commonwealth Fund, May 2000), p. 19. Online. Available: <http://www.abtassociates.com/reports/ES-youngad.pdf>. Accessed: March 8, 2005. Data from the March 1999 Current Population Survey.

¹⁴ Collins et al, *Rite of Passage?*, p. 4. Data from the 1996 Panel of the Survey of Income and Program Participation. Analysis by Pamela Farley Short and Deborah Graefe for the Commonwealth Fund.

¹⁵ Sana Siwolop, "In Loco Parentis Doesn't Necessarily Pay the Doctor," *New York Times*, Late Edition (August 10, 2003), sec. 3, p. 8; and Dr. Lawrence Neinstein, "The Healthy Student: A Parent's Guide to Preparing Teens for the College Years" (Blue Springs, Mo: Society for Adolescent Medicine, August 2003), p. 7 (booklet).

¹⁶ Collins et al, *Rite of Passage?*, p. 3, Chart 5. Data from the 2001 Medical Expenditure Panel Survey. Analysis by Sherry Glied and Douglas Gould for the Commonwealth Fund.

¹⁷ John M. Dorman, "Sexually Transmitted Diseases among College Students," in *Principles and Practices of Student Health*, ed. Helen M. Wallace, Kevin Patrick, Guy S. Parcel, and Judith B. Igoe (Oakland: Third Party Publishing Company, 1992), p. 688.

¹⁸ Ted W. Grace and Kevin Patrick, "Common Infection Illnesses among College Students," in *Principles and Practices of Student Health*, ed. Helen M. Wallace, Kevin Patrick, Guy S. Parcel, and Judith B. Igoe (Oakland: Third Party Publishing Company, 1992), p. 631.

¹⁹ U.S. Department of Health and Human Services, Office on Women's Health, *Pap Test*, July 2002. Online. Available: <http://www.4woman.gov/faq/pap.htm>. Accessed: April 19, 2005.

²⁰ Mary Duenwald, "The Dorms May Be Great, but How's the Counseling?," *New York Times* (October 26, 2004), Section F, p. 1.

²¹ U.S. Centers for Disease Control, National Center for Health Statistics, *Health United States 2004* (Hyattsville, Md.: NCHS, 2004), Table 32. Online. Available: <http://www.cdc.gov/nchs/data/hus/hus04.pdf>. Accessed: March 8, 2005.

²² *Ibid.* Table 84.

²³ Quinn et al., p. 6.

²⁴ Collins et al., *Rite of Passage?*, p. 5. Authors' analysis Commonwealth Fund Biennial Health Insurance Survey (2003) data.

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- ²⁵ Associated Press, "More Colleges Making Health Insurance Mandatory," Toledo, Ohio, February 15, 2005.
- ²⁶ American College Health Association, *Standards for Student Health Insurance/Benefit Programs*, July 2000, p. 1. Online. Available: http://www.acha.org/info_resources/SPHPHE_statement.pdf. Accessed: February 26, 2005.
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- ³⁵ Idaho State Board of Education, *Policies and Procedures, Section III.P.16*. Online. Available: <http://www.idahoboardofed.org/policies/iii/p.asp>. Accessed: March 7, 2005.
- ³⁶ Ed Ehlinger, Sue Jackson, and Gary Christenson, "Institutional Requirement for Health Insurance for Students in Post-Secondary Education," March 1, 2005, slide 22. PowerPoint presentation to the Minnesota House of Representatives Health Care Cost Containment Subcommittee.
- ³⁷ Code of Federal Regulation, Title 22, Section 514.14.
- ³⁸ American College Health Association and the Association of International Educators, *Health Insurance for International Students and Scholars and Their Dependents*. Online. Available: http://www.acha.org/info_resources/insur_intl_student.pdf. Accessed: March 6, 2005.
- ³⁹ Texas Education Code, Sec. 51.961.

⁴⁰ The nine health-related institutions in Texas include: Baylor College of Medicine, Texas Tech University Health Sciences Center, The Texas A&M University System Health Science Center, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, The University of Texas M.D. Anderson Cancer Center, The University of Texas Medical Branch at Galveston, The University of Texas Southwestern Medical Center at Dallas, and University of North Texas Health Science Center at Fort Worth.

⁴¹ Telephone interview with Stacey Silverman, Program Director, Texas Higher Education Coordinating Board, July 7, 2004.

⁴² Texas House of Representatives, Higher Education Committee, Testimony on Senate Bill 505, 77th Texas Legislature, regular session (April 10, 2001), 0:01:20-0:36:09. Audio archive online. Available: <http://www.house.state.tx.us/committees/audio77/290.htm>. Accessed: April 19, 2005.

⁴³ The Ohio State University, *Health Insurance Requirements for Students*. Online. Available: <http://shi.osu.edu/articles.asp?ID=138>. Accessed: March 7, 2005.

⁴⁴ Claire Vannette, "UC Students Charged for Mandatory Insurance," *The Guardian* via U-Wire, University of California–San Diego, September 18, 2001.

⁴⁵ Ehlinger et al., "Institutional Requirement for Health Insurance," slide 12 (PowerPoint presentation).

⁴⁶ *Ibid.*, slide 13.

⁴⁷ *Ibid.*, slides 14-15.

⁴⁸ Telephone interview with Stephen L. Beckley, Higher Education Healthcare Management and Benefit Consultant, Stephen L. Beckley and Associates, Inc., March 3, 2005.

Chapter 2. Overview of Student Health Insurance Plans

Colleges often offer school-sponsored health insurance to students for the same reasons many offer health care on campus – they have an interest in maintaining the health of their student body so students can achieve their educational objectives.¹ College students, like other young adults, can easily fall through the cracks when it comes to accessing coverage. This is especially true if a student’s parents do not have employer-sponsored health insurance coverage. To mitigate some of the difficulties students face in accessing coverage, many colleges and universities offer student health insurance plans. This chapter defines student health insurance plans, describes components of plans sold in Texas, and discusses the relevant legal framework that separates them from other health insurance products.

What Is Student Health Insurance?

Student health insurance plans are insurance products offered by commercial carriers that have contracted with colleges, which in turn make coverage available to some or all of their students.² The plans, which are different from accident-only policies, are offered by most colleges in addition to any medical services that may be provided at a reduced cost through a health center on campus.³ Individual colleges or college systems select an insurance carrier with which to contract, generally as part of a bid process. The college often plays a role in determining plan components; therefore, the level of coverage and cost of these plans varies greatly across colleges. Some colleges offer comprehensive plans that compare favorably to employer-sponsored insurance in terms of benefits; however, others offer coverage inadequate even to meet the needs of the traditionally healthy college population.⁴ In Texas, student health insurance is regulated as blanket accident and health insurance under the Texas Insurance Code, Chapter 125. It is considered a group insurance product, but it is not necessarily subject to the same provisions as employer-sponsored coverage.

In 2000, the American College Health Association (ACHA) released an updated version of *Standards for Student Health Insurance/Benefit Programs*, which is meant to guide institutions of higher education in the development of quality student health insurance plans. One of the ten standards instructs colleges to design a plan with the knowledge “that students rely upon its student health insurance/benefit program for their primary source of health insurance protection,” and thus, provide “an appropriate scope of coverage.”⁵ To provide such coverage, the guidelines recommend a plan have a minimum level of benefits that cover preventative health care, mental health care, and catastrophic illness and injuries.⁶

Stephen L. Beckley, a health care benefits consultant who specializes in higher education and one of the four members of the ACHA committee that drafted *Standards for Student Health Insurance/Benefit Programs*, has defined appropriate coverage in student health

insurance plans in more specific terms. He asserts that components of a student health insurance plan, including covered benefits, definitions, limitations and exclusions, should be consistent with those generally found in large, employer-sponsored health insurance coverage.⁷ Mr. Beckley estimates that more than 85 percent of the student health insurance plans found at colleges nationwide fail to comply with the ACHA guidelines.⁸

Components of Student Health Insurance Plans

The following section presents many of the components of student health insurance plans in general as well as the range of options and coverage found in plans offered by institutions of higher education in Texas.⁹ All references in this chapter to student health insurance plans found at Texas colleges and universities¹⁰ come from an analysis of the majority of plans currently offered through colleges in the state. Between July 2004 and February 2005, TDI reviewed plan details from marketing materials and summaries of benefits from 37 different student health insurance plans that were made available to students at 65 colleges and universities in Texas during the 2004-2005 academic year.¹¹ A few colleges with school-sponsored coverage did not provide the requested materials, but most student health insurance plans sold in Texas have been taken into account.

Medical Underwriting

Unlike in the individual health insurance market, medical underwriting is not used in student health insurance plans. Colleges and universities that receive any federal funding are prohibited by Section 504 of the Rehabilitation Act of 1973 from discriminating against any student based on a handicap. As it relates to student health insurance, this law prohibits denying coverage based on a health condition or basing premiums on health status.¹² This is an advantage for students with chronic conditions who may be uninsurable in the individual market. No student health insurance plan offered through a college in Texas asked any questions related to health on the application and no plan charged different premiums based on health status. However, once insured, all covered people are subject to any pre-existing condition provisions that limit coverage for existing medical conditions for a specific period of time, depending on the terms of the policy.

Eligibility

Eligibility requirements for student health insurance vary by school. Some plans extend eligibility to any student who is registered and attending classes, but more limited eligibility structures are common. One of the most common restrictions limits enrollment to students that are registered for a minimum number of hours. Another common restriction excludes students that are only registered in online or correspondence classes. Many plans allow covered students to enroll their dependents as well. Though the ACHA guidelines do not specifically address student eligibility, they state that covered students should be allowed to enroll their spouse or domestic partner and children.¹³

In Texas, about one-half of plans extend eligibility to any registered student, and the other half limit eligibility to students who are taking a minimum number of hours. Number of hours required for eligibility in a fall or spring semester range from three hours to 12 hours, but six credit hours is the most common standard. To maintain eligibility, most plans require students to actively attend classes for the first 31 days of the enrollment period. Any student that withdraws before that point will lose coverage and be eligible for a refund. Students that withdraw, graduate, etc. after 31 days cannot cancel their coverage and receive a refund unless they enter the military.

With few exceptions, plans in Texas do not allow students to maintain insurance eligibility if they take a semester off. Nor do they allow students who are not taking classes over the summer to purchase coverage for the summer semester(s) unless coverage was purchased previously as a spring/summer package. Approximately one-third of Texas plans allow students to extend their coverage temporarily following graduation. Continuation periods available to graduates range from three to 18 months, but the most common length is 6 months.

All but a few Texas plans allow covered students to also purchase coverage for their spouse and dependent children. The age at which dependent children lose eligibility in these plans ranges from 19 to 25. Although it was relatively rare, a few plans specifically extend eligibility to a covered students' domestic partner.

Enrollment Periods

Student health insurance plans generally provide several options regarding the length of time for which coverage can be purchased. Almost every plan offers enrollment periods that correspond generally with the fall, spring, and summer semesters. Nearly 60 percent of plans offer students the option to purchase spring and summer coverage together in January, and about one-third of plans lack a spring-only option so that students must buy spring and summer coverage together. Students must meet the eligibility criteria each time they enroll, so the ability to buy spring and summer coverage together allows students who are not taking summer classes to remain insured.

About three-fourths of plans also offer students the option to purchase coverage for the entire academic year (September through August) in the fall. An annual enrollment option provides the benefit of continuous coverage for twelve months, but the entire year must be paid for up front. In addition to semester enrollment periods, a number of plans offer students the option to purchase coverage quarterly and a few allow students to buy coverage on a monthly basis. A student that purchases coverage for shorter periods of time may be more at risk of intermittent coverage if he or she takes a semester off or simply forgets to renew coverage.

Integration with Campus Health Services

One of the benefits of student health insurance plans is that they often integrate with and fully cover services delivered at the health center on campus. For example, mental health benefits can supplement services provided at student counseling centers. Plans can also cover charges for fee-for-service treatment at the student health clinic.¹⁴ Many plans waive deductibles and co-payments for services obtained at the student health center. In addition, such services are often covered 100 percent, while coinsurance would apply to medical services obtained off-campus.¹⁵ ACHA guidelines recommend a plan design that “encourages utilization of campus health and counseling services, where doing so provides cost effective and high quality care for students.”¹⁶

Approximately one-third of student health insurance plans in Texas coordinate in some way with student health centers. This feature was common in the plans offered by public universities,¹⁷ most of which have student health centers, but it was not common in the plans of junior colleges,¹⁸ many of which lack health care facilities on campus. Of plans that integrate with student health centers, most waive the deductible for services received on campus and cover such services at 100 percent.

Catastrophic Coverage and Maximum Benefits

Unlike employer-sponsored health insurance plans, the maximum benefit in student health insurance is generally applied per injury or illness as opposed to a lifetime maximum. Many school-sponsored plans offer a basic benefit with a relatively low per injury/illness maximum, and in addition, offer enrollees the option of purchasing additional catastrophic coverage. This optional coverage may increase the basic maximum benefit three or four times. Beckley believes that to be adequate as the sole source of health insurance coverage for students, the lifetime maximum benefit should be at least \$500,000 and that catastrophic coverage should be included in the basic plan.¹⁹

All plans in Texas include a maximum benefit level, but the terms of the maximum vary by policy. More than 70 percent of plans include a maximum benefit per injury or illness. A few plans have either a lifetime maximum or an annual maximum, or a combination of the two. Benefit maximums vary from \$2,000 per injury/illness up to a \$1,000,000 lifetime limit. The average maximum benefit is \$105,200; however, that figure is skewed by the few plans with significant maximum benefits. The median and mode maximum benefit in Texas plans is \$50,000.

Approximately one-third of plans in Texas offer students the option to purchase additional catastrophic coverage. The total maximum benefits of plans including the optional catastrophic coverage ranged from \$25,000 to \$1,000,000, and this limit was most often structured per injury or illness. The average maximum benefit with additional coverage is \$203,200 and the median is \$110,000. Plans offered by public universities most often contained this additional coverage option.

Fewer than 20 percent of plans in Texas have an out-of-pocket maximum. These provisions limit an enrollee's liability by paying 100 percent of covered charges from the out-of-pocket limit up to the maximum benefit. In Texas plans that include a maximum out-of-pocket limit, these provisions generally take effect after the policyholder has incurred \$1,000 to \$3,000 in covered health care costs or after the insurer has paid \$10,000 to \$12,000 in covered health care costs.

Cost Sharing

Cost sharing is common in the student health insurance plans found in Texas. About two-thirds of plans require coinsurance and deductibles. Under the most common coinsurance structure, 80 percent is covered in-network and 60 percent is covered out-of-network. Most plans require an annual deductible that ranges from \$50 to \$750, but a few plans require a deductible per accident or illness that ranges from \$10 to \$150. The average in-network, annual deductible is \$213, and the median is \$150. The average out-of-network, annual deductible is \$245, and the median is \$225.

Prescription Coverage

Outpatient prescription drug coverage varies considerably among student health insurance plans. It is impossible to determine what level of coverage is adequate in a plan without first considering whether a college has a pharmacy in its student health clinic and to what degree prescription drugs are discounted through the pharmacy.²⁰ Approximately three-fourths of plans in Texas provide some prescription drug coverage, but most cap annual coverage at a particular dollar amount. Limits to coverage range from \$50 to \$6,000. Most limits apply per year, but a few are per illness or injury. Of plans that cap annual coverage of prescriptions, the average annual limit is \$496 per year, and the median and mode limit is \$300 per year. Only three plans in the state do not cap prescription coverage. These plans, each of which is offered by a private university, cover 80 percent to 100 percent (minus a co-pay) of prescription charges at in-network pharmacies and 60 percent to 80 percent of charges out-of-network. Plans offered through private colleges are more likely than public colleges to include prescription coverage, and plans offered through four-year universities are more likely than two-year colleges to provide prescription benefits. The most generous prescription limits as well as the most restrictive limits are found in plans offered by private colleges.²¹

Maternity Coverage

Title IX of the Education Amendments of 1972, which prohibits gender discrimination at colleges that receive federal funds, requires student health insurance plans to cover pregnancy as any other temporary illness or disability. Plans must include this coverage not only for students, but also for a student's enrolled spouse.²² Maternity coverage is treated very differently in the student health insurance market than the individual market, where such coverage is generally sold as a rider, and is expensive due to adverse

selection.²³ Materials from two-thirds of student plans offered in Texas explicitly state in the schedule of covered benefits that pregnancy is covered on the same terms as any other temporary illness or disability. Summaries of benefits from the remaining one-third of plans, which are more likely to be sold through private colleges, either do not mention maternity coverage or do not indicate that it is either covered or excluded as a temporary disability.²⁴

Medical Evacuation and Repatriation

Most plans in Texas include specific benefits for medical evacuation and repatriation of remains. These benefits may be useful to international students and domestic students that are studying abroad or traveling during vacations. Generally, most plans include a benefit for medical evacuation up to \$10,000 and repatriation up to \$7,500. These are the benefit amounts prescribed by federal law for all students entering the United States with J-1 visas.²⁵

Other Covered Expenses

ACHA guidelines recommend that student health insurance plans have coverage sufficient to be the sole source of health insurance for students. Specifically, ACHA recommends that plans, at a minimum, have sufficient coverage for preventative health care, mental health care, and catastrophic illness and injuries.²⁶ All student health insurance plans offered in Texas have some form of coverage for hospitalization, inpatient and outpatient surgery, physicians' visits, and outpatient expenses for laboratory work, tests, and/or X-rays. For the most part, however, these benefits and other benefits have limitations applied to them in addition to cost-sharing and plan maximum benefits. About one-half of plans sold in Texas place limits on hospital expenses. Some plans limit coverage of hospital room and board expenses at \$100 per day up to \$400 per day. Other plans limit coverage of all expenses related to hospitalization per day, per confinement, or per year at \$600 to \$5,000.

A few plans offer no coverage for emergency treatment, and only one-third of plans offer emergency treatment without limitations other than cost-sharing and plan maximum benefits. Two-thirds of plans offer some coverage for inpatient and outpatient mental health treatment, but more than four out of five limit the benefits. Common limitations to inpatient mental health coverage include \$3,000 per year and 30 days per year. Outpatient mental health care coverage is commonly limited to \$50 per visit up to a maximum of \$500. Only one-quarter of plans include specific language about coverage for drug and alcohol abuse treatment.

Exclusions and Limitations

ACHA guidelines state that student health insurance plans should minimize pre-existing condition exclusions and waiting periods. The regulation of student health insurance

plans in Texas allows the pre-existing conditions of previously uninsured students to be excluded for no longer than 12 months if a student does not receive medical advice or treatment for their condition during that year. If a student receives advice or treatment for their pre-existing condition after their policy takes effect, that pre-existing condition can be excluded until 12 consecutive months have passed where they receive no advice or treatment for their condition, up to a maximum of 24 months.²⁷ With one exception, all plans offered in Texas exclude pre-existing conditions unless continuously insured, generally for the first 12 months of coverage.

Student health insurance plans tend to have multiple exclusions, many of which are for medical services that may be useful to the college population. Most plans reviewed exclude routine exams and preventative care; however, some plans make an exception for annual well-woman care. More than three-fourths exclude elective abortions and self-inflicted injuries, including attempted suicide. More than one-half contain exclusions for organ transplants, injuries obtained while under the influence of alcohol or drugs, injuries resulting from “high risk” activities such as skydiving or bungee jumping, and injuries from fighting except when in self-defense. Almost one-quarter of plans exclude inpatient mental health care and one-third exclude outpatient mental health care. More than one in six plans excludes outpatient prescriptions and three plans specifically exclude contraceptives. Ten percent of Texas plans contain a specific exclusion for expenses relating to accidents while riding motorcycles, three-wheelers, and all-terrain vehicles. Many of these exclusions are not traditionally found in employer-sponsored health insurance plans.

Costs of Coverage

Premiums for Student Health Insurance Plans in Texas

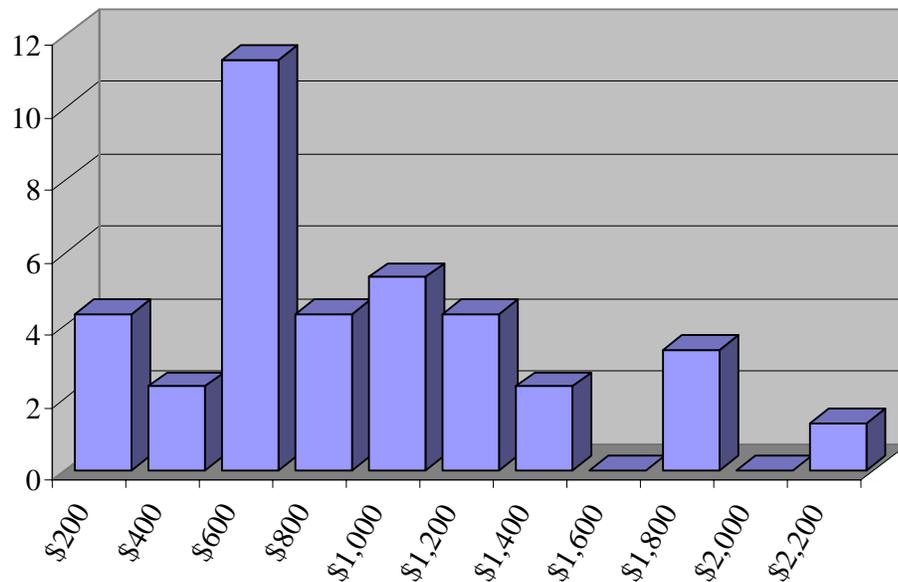
Premiums for student health insurance vary dramatically by plan and college, reflecting to some degree the level of coverage provided. The most expensive plans tend to be those with the most generous benefit structures, while the least-expensive plans do not provide major medical coverage. Nationally, student health insurance plans that comply with ACHA’s standards have average student premiums of \$1,200 to \$1,500 for 12 months of coverage.²⁸ More than 80 percent of the plans available in Texas cost less than \$1,200 annually.²⁹ In the 36 Texas plans for which premium information was obtained, the average annual student-only premium for the 2004-2005 academic year (September through August) is \$775 and the median is \$680. Annual premiums for student coverage range from \$79 to \$2,052. Figure 2.1 shows the distribution of annual student premiums in Texas plans.

Dependent coverage is considerably more expensive than student coverage. Annual premiums for student and spouse coverage range from \$558 to \$8,246. The average annual premium for student and spouse coverage is \$3,169. The median premium is \$2,660, which is nearly four times the student-only median annual premium. Annual

premiums for student and child coverage range from \$138 to \$4,104. The average student and child premium is \$1,806 per year and the median is \$1,690 per year.³⁰

Annual premiums for student, spouse, and child coverage range from \$536 to \$9,985; the average is \$4,177. The median annual premium is \$4,095, which is five times the student-only median annual premium. More than one-half of the student health insurance plans sold in Texas charge an additional premium per child to cover an enrolled student's additional children. This pricing structure differentiates student health insurance from most group health insurance plans, where a set child premium is generally charged regardless of how many children the enrollee has. Annual premiums for additional child coverage range from \$59 to \$1,780; the average is \$945 per year and the median is \$939 per year.

Figure 2.1
Distribution of Annual Student Premiums in Texas
Student Health Insurance Plans - Student-only Coverage



Source: Analysis of plan materials for 37 school-sponsored student health insurance plans made available for the 2004-2005 academic year through 65 colleges and universities in the state of Texas, July 2004-February 2005.

Almost one-third of plans in Texas offer students the option to purchase additional catastrophic coverage. The annual premiums for this coverage range from \$109 to \$435. The average annual cost of this additional benefit is \$189 and the median cost is \$181.³¹

Two plans sold in Texas charge higher premiums for older students. One plan divides students into three age categories for pricing purposes: under 35, 36 to 45, and 46 to 50. The other plan charges premiums that are 50 percent higher for students and spouses that are older than 35 years.

Cost Comparison to Other Health Insurance Products

Ideally, school-sponsored health insurance plans will provide affordable coverage to students that is a good value relative to coverage students may get in the group and individual health insurance market. In 2004, the average annual premium for an individual in an employer-sponsored group health insurance plan was \$3,695,³² compared to an average of \$775 for annual, student-only coverage in a Texas student health insurance plan. On average, 84 percent of a single employee's health insurance premium was paid for by his or her employer in 2004, making the average employee contribution \$558 in 2004.³³ Thus, the average annual amount contributed by a single enrollee in an employer-sponsored plan in 2004 was about \$200 less per year than what Texas college students or their parents paid for coverage in the average student health insurance plan.

The comparison to family coverage in group health insurance is similar. The average annual premium for family coverage in an employer-sponsored, group health insurance plan was \$9,950,³⁴ compared to \$4,177 for student, spouse, and child coverage in Texas student health insurance plans. Employers covered 72 percent of the costs of family coverage in employer-sponsored plans in 2004, leaving enrollees to pay \$2,661 on average for coverage.³⁵ On average, Texas students who enroll their spouse and child in school-sponsored coverage will pay \$1,500 more annually.

Average annual premiums for individual health insurance are not as easy to estimate as employer-sponsored coverage. In most cases, premiums vary by an enrollee's age, gender, and location and are dependent on which benefits the enrollee chooses to include and exclude. A study by the Kaiser Family Foundation and eHealthInsurance found that individual policies sold through eHealthInsurance in the first half of 2003 to 18 to 24 year olds in the south-central region of the United States had average annual premiums of \$1,045 for single coverage and \$1,590 for family coverage.³⁶ Based on these estimates, average annual coverage for students is less expensive through school-sponsored plans in Texas than it is in the private, individual market, but student, spouse, and child coverage is more expensive than family coverage in the individual market.

Conclusion

Though they have much in common with other forms of health insurance, student health insurance plans are unique products designed to integrate with college resources and reflect the needs of college students. Few of the student health insurance plans offered in Texas would meet the standards recommended by the American College Health

Association. These plans may not meet the needs of students that have chronic conditions or take prescriptions daily, and they may not provide financial security for students who experience a serious accident or illness. For the average college student, however, who is relatively young and healthy, these plans may be more than adequate to meet their needs. It is difficult to generalize about the adequacy of student health insurance plans offered in Texas because some services that are not covered in a plan may be readily available through the student health center and pharmacy. It is the combination of health care services available on campus funded by a health center fee and benefits in a student health insurance plan that ideally would be adequate to meet a student's health care needs and protect them financially in case of a medical emergency.

Notes

¹ American College Health Association, *Standards of Practice for Health Promotion in Higher Education*, Second Edition, revised January 2005, p. 1. Online. Available: http://www.acha.org/info_resources/SPHPHE_statement.pdf. Accessed: February 26, 2005.

² There are some individual health insurance products that are sold to college students directly by agents or insurance companies but are not endorsed or sponsored by a particular college or university. For the purposes of this report, such plans are not considered student health insurance.

³ Lynn Rosellini, "Health Care Headaches," *U.S. News & World Report*, vol. 132, no. 12 (April 15, 2002), p. 52.

⁴ Sana Siwolop, "In Loco Parentis Doesn't Necessarily Pay the Doctor," *New York Times*, Late Edition (August 10, 2003), sec. 3, p. 8.

⁵ American College Health Association, *Standards for Student Health Insurance/Benefit Programs*, July 2000, p. 1. Online. Available: http://www.acha.org/info_resources/SPHPHE_statement.pdf. Accessed: February 26, 2005.

⁶ Ibid.

⁷ Stephen L. Beckley, *Review of the American College Health Association's Standards for Student Health Insurance/Benefits Programs (SHIBPs)*, revised July 13, 2003. Online. Available: <http://www.slba.com/review.html>. Accessed: February 27, 2005.

⁸ Stephen D. Blom and Stephen L. Beckley, "6 Major Challenges Facing Student Health Programs," *The Chronicle of Higher Education*, vol. 21, issue 21 (January 28, 2005), p. B25.

⁹ Institutions of higher education in Texas as listed in Texas Higher Education Coordinating Board, *Texas Higher Education Facts – 2004*, Austin, Texas, 2004. Online. Available: <http://www.thecb.state.tx.us/reports/pdf/0445.pdf>. Accessed: February 18, 2005; and Texas Higher Education Coordinating Board, "Certified 2003 Enrollment and Preliminary Fall 2004 Enrollment in Texas Institutions of Higher Education" (Excel spreadsheet). The institutions of higher education in Texas include: 35 public universities, including 31 public, four-year universities and four public, two-year, upper-division universities; 57 public, two-year colleges, including 50 public, community college districts, four campuses of the Texas State Technical College System, and three two-year, Lamar state colleges; 39 independent, four-year colleges and universities; two independent, two-year junior colleges; eight public, health-related institutions and medical schools; and one independent medical school.

¹⁰ The use of the word *colleges* or the phrase *colleges and universities* throughout this paper refer in general to all institutions of higher education.

¹¹ Plan materials were collected from college and plan websites, and additional plan materials were collected from colleges as part of TDI's 2004 *College and University Student Health Insurance Survey*. Plans analyzed include those offered through: Alamo Community College District, Angelo State University, Baylor College of Medicine, Baylor University, Dallas Baptist University, East Texas Baptist University, Huston-Tillotson College, Lamar Institute of Technology, Lamar State College - Orange, Lamar State College - Port Arthur, Lamar University, LeTourneau University, Midwestern State University, Odessa College, Our Lady of the Lake University, Prairie View A&M University, South Texas Community College, Southern Methodist University, Southwestern Adventist University, St. Edward's University, St. Mary's University, Stephen F. Austin State University, Tarleton State University, Texas A&M International University, Texas A&M University, Texas A&M University at Galveston, Texas A&M University System Health Science Center, Texas A&M University-Commerce, Texas A&M University-Corpus Christi, Texas A&M University-Kingsville, Texas A&M University-Texarkana, Texas Christian University, Texas Southern University, Texas State Technical College - Harlingen, Texas State Technical College - Marshall, Texas State Technical College - Sweetwater, Texas State Technical College - Waco, Texas State University, Texas Tech University Health Science Center, Texas Tech University, Texas Wesleyan University, Texas Woman's University, Trinity University, University of Dallas, University of Houston, University of Houston Clear Lake Campus, University of Houston Downtown Campus, University of Houston Victoria Campus, University of North Texas, University of North Texas Health Science Center, University of Texas - Pan American, University of Texas at Arlington, University of Texas at Austin, University of Texas at Brownsville, University of Texas at Dallas, University of Texas at El Paso, University of Texas at San Antonio, University of Texas at Tyler, University of Texas Medical Branch at Galveston, University of Texas of the Permian Basin, University of Texas Health Science Center-Houston, University of Texas Health Science Center-San Antonio, University of Texas M.D. Anderson Cancer Center, University of Texas Southwestern Medical Center Dallas, and West Texas A&M University.

¹² American College Health Association, *Update: Implications of the Civil Rights Restoration Act of 1987 upon Student Health Insurance Plans*, March 1989, pp. 7-10. Online. Available: <http://www.slba.com/crra.pdf>. Accessed: March 2, 2005.

¹³ Beckley, *Review of the American College Health Association's Standards* (online).

¹⁴ Beckley, *Review of the American College Health Association's Standards* (online).

¹⁵ Stephen L. Beckley, *Health Insurance Choice for College Students*, updated October 10, 2003. Online. Available: <http://www.slba.com/choicearticle.html>. Accessed: February 27, 2005.

¹⁶ American College Health Association, *Standards for Student Health Insurance* (online).

¹⁷ The use of the phrase *public university* specifically refers to public, four-year universities or two-year, degree granting, senior colleges.

¹⁸ The use of the phrase *junior college* throughout this report incorporates all forms of two-year colleges including state colleges, community colleges, and state technical colleges.

¹⁹ Beckley, *Review of the American College Health Association's Standards* (online).

²⁰ Beckley, *Health Insurance Choice for College Students* (online).

²¹ Author's analysis of plan materials for 37 school-sponsored, student health insurance plans in Texas.

²² American College Health Association, *Update: Implications of the Civil Rights Restoration Act of 1987* (online).

²³ Beckley, *Health Insurance Choice for College Students* (online).

²⁴ Author's analysis of plan materials for 37 school-sponsored, student health insurance plans in Texas.

²⁵ Code of Federal Regulation, Title 22, Section 514.14.

²⁶ American College Health Association, *Standards of Practice for Health Promotion in Higher Education*, Second Edition, revised January 2005, pg. 1. Online. Available: http://www.acha.org/info_resources/SPHPHE_statement.pdf. Accessed: February 26, 2005.

²⁷ Texas Insurance Code, Title 8, section 1251.108.

²⁸ Blom and Beckley, "6 Major Challenges Facing Student Health Programs."

²⁹ All premium amounts in this report are given for 12 months of coverage offered according to an academic calendar year (September through August).

³⁰ Ibid.

³¹ Ibid.

³² Kaiser Family Foundation and the Health Research and Educational Trust, *Employer Health Benefits 2004 Annual Survey* (September 9, 2004), pp. 2-3. Online. Available: <http://www.kff.org/insurance/7148/index.cfm>. Accessed: February 26, 2005.

³³ Kaiser Family Foundation and the Health Research and Educational Trust, *Employer Health Benefits 2004 Annual Survey*, pp. 2-3 (online).

³⁴ Ibid.

³⁵ Kaiser Family Foundation and the Health Research and Educational Trust, *Employer Health Benefits 2004 Annual Survey*, pp. 2-3 (online).

³⁶ Kaiser Family Foundation and eHealthInsurance, *Update on Individual Health Insurance*, revised August 2004, pp. 4-5. Online. Available:
<http://www.kff.org/insurance/loader.cfm?url=/commonspot/security/getfile.cfm&PageID=44678>.
Accessed: February 26, 2005. The south-central region in the study includes the states of Alabama, Arkansas, Kentucky, Louisiana, Missouri, Tennessee, and Texas.

Chapter 3. Texas College Students Access to and Attitudes about Health Insurance

In general, national surveys that collect data on the uninsured are ill-equipped to capture some data that is specifically relevant to the college population. For example, the Current Population Survey administered by the U.S. Census Bureau does not differentiate student health insurance plans offered through colleges from private, individual plans purchased directly from agents or companies.¹ To craft policies that will reduce uninsured rates on college campuses, policymakers and college administrators will need to understand who uninsured students are and their barriers to accessing coverage in general and school-sponsored, student health insurance plans in particular. To meet this need for information, the Texas Department of Insurance (TDI) collaborated with campus officials across the state and gathered college-specific data as part of its first-ever survey of Texas college students.

Methodology of Student Survey

TDI worked with nine colleges and universities in Texas to survey current college students about health insurance. In December 2004 and January 2005, letters were sent from TDI to administrators at 16 Texas colleges inviting them to participate in the survey. Institutions recruited for this survey were chosen in order to assemble a diverse group in terms of size, type, and location. The nine colleges that ultimately participated in the survey were Baylor University, El Paso Community College, Midwestern State University, Southern Methodist University, St. Mary's University, Texas State University, Texas Tech University, University of Texas-Austin, and University of Texas-Pan American. Each participating college, with the exception of El Paso Community College, offers a student health insurance plan.

The Texas Department of Insurance developed a web-based survey, the *2005 Survey of College Students' Health Insurance Coverage*, which contained 22 questions about insurance coverage, attitudes about health insurance, and various demographic factors. The surveys were posted on TDI's website, but they were not accessible without the specific link. Colleges were asked to send an email with the survey link and a request to take the survey to a randomly selected sample of at least 2,000 student email addresses, but the decisions on how to distribute the survey were left to individual colleges.

All colleges except the University of Texas-Austin (UT) sent the survey recruitment email to students from a college staff person. UT instead provided TDI with a list of 4,028 randomly selected student email addresses, and the survey recruitment email was sent from TDI. Four colleges opted to send the survey link to their entire student body. Exceptions included UT, Texas State, Texas Tech, El Paso Community College, and Baylor. Texas State and Texas Tech each emailed the survey link to approximately 2,000 randomly selected student email addresses. El Paso Community College emailed the

survey link to the 1,346 students enrolled in their online learning program. Baylor was especially interested in gathering data on their graduate student population and chose to send the survey link to 2,000 undergrads in addition to all 2,015 graduate, seminary, and law students. A few colleges sent a follow-up email in addition to the original request to remind students about the survey.

All survey recruitment emails with the link to the survey were sent between February 1, 2005, and March 2, 2005. Surveying was completed at all colleges by March 17, 2005. The web-based surveys were available to students for at least two weeks following the day the students received the survey link. Response rates in general were predictably low, as the survey was completely voluntary and students were not offered anything in return for participating in the survey. Table 3.1 shows the approximate number of students to whom the survey request was sent and the number of survey respondents by college.

Table 3.1
Student Survey Response Rates by College

College	Students asked to take survey	Students participating in survey	Response rate
Baylor University	4015	550	13.70%
El Paso Community College	1,346	157	11.66%
Midwestern State University	6,343*	91	1.43%
Southern Methodist University	10,901*	603	5.53%
St. Mary's University	4,110*	205	4.99%
Texas State University	2,000	355	17.75%
Texas Tech University	2,068	146	7.06%
University of Texas-Austin	4,028	256	6.36%
University of Texas-Pan American	17,025*	211	1.24%
All Surveyed Colleges	51,836	2,574	4.97%

Source: Data from student responses to the Texas Department of Insurance, *2005 Survey of College Students' Health Insurance Coverage*, February-March 2005.

* Survey link was sent to entire student body. Estimate of how many students were asked to take survey based on the preliminary enrollment data from fall 2004. Texas Higher Education Coordinating Board, "Certified 2003 Enrollment and Preliminary Fall 2004 Enrollment in Texas Institutions of Higher Education" (Excel spreadsheet).

Survey Respondents

Overall, 2,574 students from nine colleges completed the *2005 Survey of College Students' Health Insurance Coverage*. Students from private colleges account for 53 percent of responses, and public college students account for 47 percent of responses.

Two-thirds of respondents are female, and one-third are male. Table 3.2 shows the breakdown of respondents by public college, private college, and various other variables.

Table 3.2
Description of Respondents to TDI's Student Survey, 2005

	All Categories	Private Colleges	Public Colleges
Overall			
Number of respondents	2,574	1,358	1,216
Percent of respondents	100.0%	52.8%	47.2%
Grade Level			
Freshman	12.7%	9.4%	16.4%
Sophomore	14.4%	9.3%	20.1%
Junior	14.7%	11.3%	18.4%
Senior	18.5%	13.1%	24.6%
Graduate/Professional	33.0%	48.0%	16.3%
Ph.D.	6.7%	8.9%	4.2%
Total	100.0%	100.0%	100.0%
College Enrollment Status			
Full-time student	83.9%	86.3%	81.2%
Part-time student	16.1%	13.7%	18.8%
Total	100.0%	100.0%	100.0%
Age			
18	6.9%	5.2%	8.9%
19	10.2%	8.9%	11.6%
20	9.3%	8.0%	10.8%
21	9.9%	7.4%	12.6%
22	9.1%	9.9%	8.3%
23	8.0%	9.2%	6.6%
24	6.6%	7.3%	5.8%
25 and Older	40.0%	44.2%	35.4%
Total	100.0%	100.0%	100.0%
Race/Ethnicity			
African American	3.5%	4.1%	2.9%
Asian American	3.6%	3.7%	3.5%
Hispanic	25.4%	15.7%	36.3%
Native American	0.6%	0.6%	0.7%
White (Non-Hispanic)	60.4%	68.9%	50.9%
Other	6.5%	7.1%	5.9%
Total	100.0%	100.0%	100.0%
Current Employment Status			
Full-time	16.8%	16.7%	17.0%
Part-time	43.8%	43.7%	43.8%
Not employed	39.4%	39.6%	39.2%
Total	100.0%	100.0%	100.0%
Health Status			
In good health	78.3%	82.2%	73.9%
In fair health	20.0%	16.5%	23.9%
In poor health	1.7%	1.3%	2.2%
Total	100.0%	100.0%	100.0%

Table 3.2 (Continued)
Description of Respondents to TDI's Student Survey, 2005

	All Categories	Private Colleges	Public Colleges
Gender			
Male	33.7%	36.3%	30.9%
Female	66.3%	63.7%	69.1%
Total	100.0%	100.0%	100.0%
Nationality			
US citizen or permanent resident	93.8%	92.5%	95.3%
International student	6.2%	7.5%	4.7%
Total	100.0%	100.0%	100.0%
Place of Permanent Residence			
Texas (In-state for Tuition Purposes)	85.6%	79.2%	92.7%
Another state in the United States	9.8%	14.9%	4.1%
Outside of the United States	4.6%	5.9%	3.2%
Total	100.0%	100.0%	100.0%
Relationship / Family Status			
Single with no dependent children	72.2%	71.4%	73.1%
Single with dependent children	4.2%	2.5%	6.1%
Married with no dependent children	12.7%	15.9%	9.2%
Married with dependent children	10.8%	10.1%	11.6%
Total	100.0%	100.0%	100.0%
Primary College Funding Source			
Parents / guardians	21.2%	19.4%	23.3%
Student loans	29.7%	30.2%	29.2%
Scholarships / grants	30.0%	33.7%	26.0%
Current income from off-campus job	5.4%	3.6%	7.3%
On-campus work-study program	5.5%	6.8%	4.0%
The military	1.2%	0.5%	1.9%
Own savings	3.7%	2.9%	4.7%
Other	3.3%	2.9%	3.7%
Total	100.0%	100.0%	100.0%
Required to Have Insurance by College?			
Yes	12.4%	18.8%	5.3%
No	49.1%	43.7%	55.1%
Uncertain	38.5%	37.5%	39.6%
Total	100.0%	100.0%	100.0%
Aware of Plan Offered by Your College?			
Yes	61.8%	75.1%	47.0%
No or uncertain	38.2%	24.9%	53.0%
Total	100.0%	100.0%	100.0%
Insurance Status			
Insured	67.4%	73.5%	60.6%
Uninsured	29.1%	23.3%	35.6%
Uncertain	3.5%	3.2%	3.8%
Total	100.0%	100.0%	100.0%

Source: Data from student responses to the Texas Department of Insurance, *2005 Survey of College Students' Health Insurance Coverage*, February-March 2005.

With the exception of Baylor and El Paso Community College, colleges either made the survey available to a random sample of students or the entire student body, but because survey participation was completely voluntary, the results do not necessarily reflect the entire student bodies of participating colleges accurately. Certain populations that were more willing to participate in TDI's web-based survey are over-represented in the responses. Compared to data on the total Texas college student population shown in Table 3.3, TDI's sample over-represents students from private colleges, female students, white students, and graduate students at private colleges. African American students, male students, students from public colleges, and undergraduate students in private colleges are under-represented among the survey respondents. Because each of the over-represented groups is statistically more likely to have insurance coverage, the sample will underestimate the true extent of uninsured college students in the state.

Table 3.3
Composition of Texas College Student Population, 2003

Gender	
Female*	57.11%
Male*	42.89%
Race	
African American	11.02%
Asian American	4.88%
Hispanic	24.69%
Native American	0.51%
White (non-Hispanic)	53.53%
Other	5.36%
Classification	
Freshman**	20.05%
Sophomore**	15.50%
Junior**	18.04%
Senior**	23.87%
Graduate/Professional**	19.10%
PhD**	3.44%
Public or Private College	
Public College Students	89.57%
Private College Students	10.43%

Source: Data from Texas Higher Education Coordinating Board, *Statistical Report FY 2004 - Student Enrollment*, 2004. Online. Available: <http://www.thecb.state.tx.us>. Accessed: March 20, 2005.

* Gender distribution includes data from all public colleges and private health-related institutions. Data from private academic colleges was not available.

** Grade level distribution reflects enrollment at only public universities. Data from public junior colleges, public health-related institutions, and all private colleges not included.

Uninsured Rates

Overall, 29 percent of students surveyed report being uninsured, but the over-sampling of groups that are more likely to have coverage means the true uninsured rate is likely higher. Two-thirds of students report having insurance, and 4 percent are unsure of their insurance status. Even though it is likely underestimated, the uninsured rate among college students is higher than for the population of Texas in general, but lower than all Texans aged 18 to 34. Uninsured rates varied dramatically within subgroups. Table 3.4 shows students' insurance status by various demographic factors, many of which are discussed below.

In general, students with the highest risk of being uninsured include single parents and students that were older than traditional college ages. Other students that have relatively high uninsured rates include Hispanic students, students not in good health, students not required to have coverage by their college, students whose education is primarily financed by the military, and students in their senior year. Students with the greatest chance of having insurance coverage include those whose education is primarily financed by their parents, those required to have insurance by their college, and Ph.D. students. Other students that are relatively likely to have insurance are students who work full-time, married students with no dependent children, and white students.

Table 3.4
Student Insurance Status by Various Demographic Factors

	Insured	Uninsured	Not Sure
Overall			
Number of respondents	2,564	1,355	1,209
Percent of respondents	67.4%	29.1%	3.5%
Type of College			
Private	73.5%	23.3%	3.2%
Public	60.6%	35.6%	3.8%
Grade Level			
Freshman	69.4%	23.8%	6.8%
Sophomore	66.8%	28.6%	4.6%
Junior	61.6%	35.2%	3.2%
Senior	55.8%	40.4%	3.8%
Graduate/Professional	73.0%	24.9%	2.0%
Ph.D.	83.0%	15.2%	1.8%
College Enrollment Status			
Full-time student	66.1%	30.2%	3.6%
Part-time student	74.8%	23.0%	2.2%

Table 3.4 (Continued)
Student Insurance Status by Various Demographic Factors

	Insured	Uninsured	Not Sure
Age			
18	74.4%	18.2%	7.4%
19	72.3%	21.9%	5.8%
20	74.1%	22.6%	3.3%
21	65.3%	29.1%	5.6%
22	71.7%	27.5%	0.9%
23	62.7%	35.8%	1.5%
24	65.1%	30.2%	4.7%
25 and Older	64.6%	33.1%	2.3%
Race/Ethnicity			
African American	55.6%	37.8%	6.7%
Asian American	62.0%	32.6%	5.4%
Hispanic	49.4%	46.6%	4.0%
Native American	62.5%	37.5%	0.0%
White (Non-Hispanic)	75.9%	21.3%	2.7%
Other	68.7%	25.9%	5.4%
Current Employment Status			
Full-time	78.1%	19.1%	2.8%
Part-time	63.0%	34.2%	2.8%
Not employed	67.8%	27.6%	4.6%
Health Status			
In good health	72.3%	24.2%	3.6%
In fair health	49.8%	47.1%	3.1%
In poor health	54.5%	40.9%	4.5%
Gender			
Male	68.5%	28.4%	3.1%
Female	65.5%	30.3%	4.2%
Nationality			
US citizen or permanent resident	67.0%	29.8%	3.2%
International student	74.7%	17.5%	7.8%
Place of Permanent Residence			
Texas (In-state for Tuition Purposes)	66.4%	30.3%	3.3%
Another state in the United States	72.9%	25.1%	2.0%
Outside of the United States	74.8%	16.5%	8.7%
Relationship / Family Status			
Single with no dependent children	67.3%	28.6%	4.1%
Single with dependent children	40.7%	55.6%	3.7%
Married with no dependent children	76.7%	22.4%	0.9%
Married with dependent children	67.6%	29.9%	2.5%

Table 3.4 (Continued)
Student Insurance Status by Various Demographic Factors

	Insured	Uninsured	Not Sure
Primary College Funding Source			
Parents / guardians	83.0%	11.6%	5.4%
Student loans	60.6%	36.7%	2.8%
Scholarships / grants	59.7%	37.5%	2.9%
Current income from off-campus job	74.5%	22.6%	2.9%
On-campus work-study program	73.0%	23.4%	3.5%
The military	56.7%	40.0%	3.3%
Own savings	71.9%	26.0%	2.1%
Other	76.2%	17.9%	6.0%
Required to Have Insurance by College?			
Yes	82.5%	12.7%	4.8%
No	55.9%	42.1%	2.0%
Uncertain	77.3%	17.7%	5.0%
Aware of Plan Offered by Your College?			
Yes	69.5%	27.4%	3.1%
No or uncertain	63.9%	32.1%	4.0%

Source: Data from student responses to the Texas Department of Insurance, *2005 Survey of College Students' Health Insurance Coverage*, February-March 2005.

Type of College Student Status

Uninsured rates varied by college, with a low of 21 percent uninsured at St. Mary's University and Baylor University to a high of 78 percent uninsured at UT-Pan American. Table 3.5 lists participating colleges and their uninsured rates. Students at private colleges are more likely to have insurance coverage than those at public colleges. Of the surveyed students attending a private college, 23 percent are uninsured, compared to 36 percent of public college students.

Table 3.5
Uninsured Rates by College

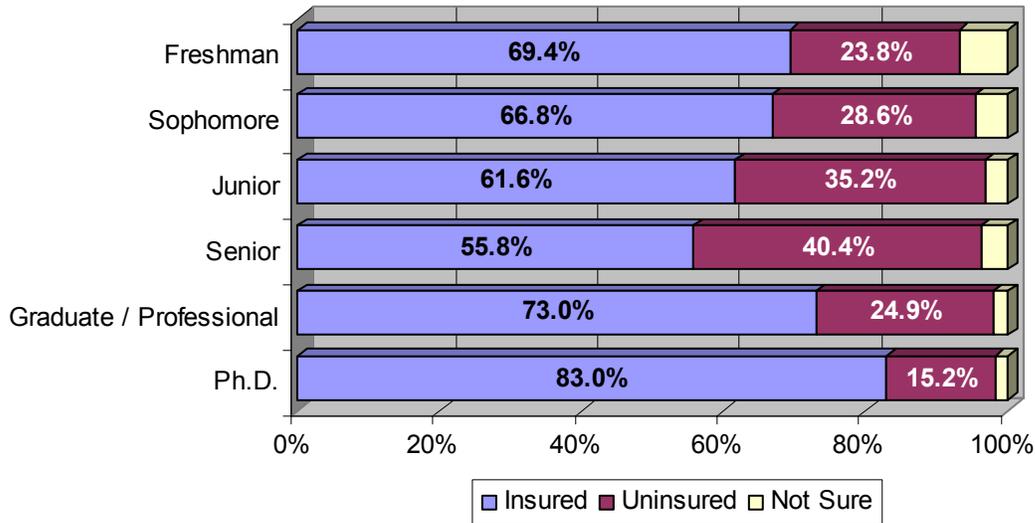
College	Uninsured Rate of Respondents
Baylor University	20.8%
El Paso Community College	30.6%
Midwestern State University	39.6%
Southern Methodist University	26.5%
St. Mary's University	20.5%
Texas State University	24.7%
Texas Tech University	23.3%
University of Texas-Austin	24.9%
University of Texas-Pan American	77.5%
All Surveyed Colleges	29.1%

Source: Data from student responses to the Texas Department of Insurance, *2005 Survey of College Students' Health Insurance Coverage*, February-March 2005.

Student Status

Full-time students have higher uninsured rates than part-time students, at 30 percent and 23 percent, respectively. As students advance from their freshman year to their senior year, their likelihood of being uninsured increases, as shown in Figure 3.1. Graduate and Ph.D. students are more likely to have insurance than undergraduates. Students from Texas are less likely to have coverage than out-of-state students and international students. Thirty percent of in-state students are uninsured, compared to 25 percent of out-of-state students and 17 percent of international students. This is likely a reflection of lower uninsured rates in general in other states and common requirements that international students have coverage.

**Figure 3.1
Insured Status by Grade Level**



Age

In general, as students age from 18 to 25, their likelihood of being uninsured increases. Students that are 18 are the least likely to be uninsured and the most likely to be unsure of whether or not they have coverage. Students 23 and older are the most likely to be uninsured, with an uninsured rate above 30 percent. Nontraditional-aged students have even higher uninsured rates. Undergraduates between the ages of 18 and 22 have a 25 percent uninsured rate, but 52 percent of undergraduates age 23 and older are uninsured; this is twice the rate of younger, traditional-aged students.

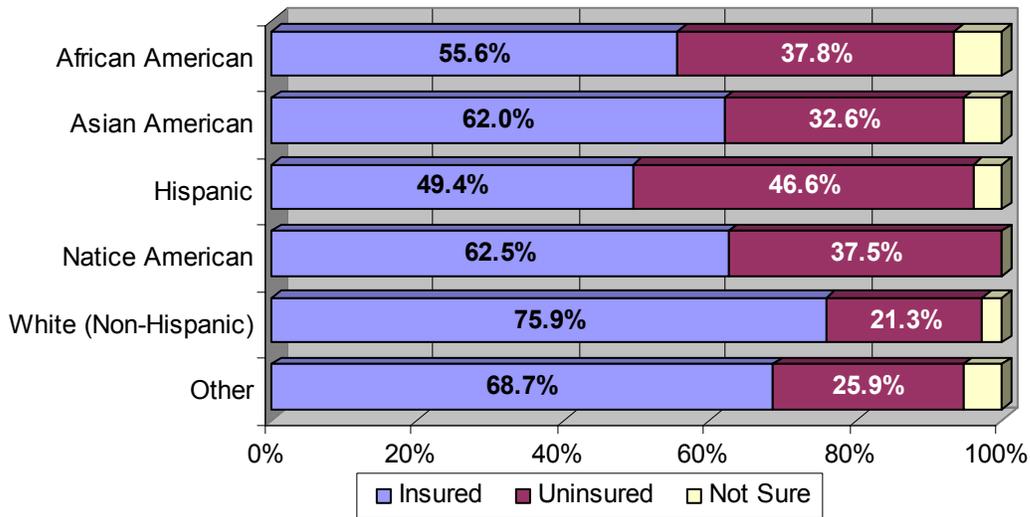
This survey does not show a large increase in uninsured rates as students turn 25 and often lose eligibility for coverage through their parents. The uninsured rate for students age 25 and over is 33 percent, compared to 30 percent for students age 24. To determine if turning 25 has an impact on uninsured rates, a comparison would need to be made between 24 year olds and 25 year olds. However, the answer choices on the survey grouped every student age 25 or over into one category, so such a comparison cannot be made.

Race/Ethnicity

Like the population in general, student uninsured rates vary by race and ethnicity. Minority students have much higher uninsured rates than white students, as shown in Figure 3.2. Nearly one-half of all Hispanic students lack insurance, as do 38 percent of

African American and Native American students. Only 21 percent of white students are uninsured.

Figure 3.2
Insured Status by Race/Ethnicity



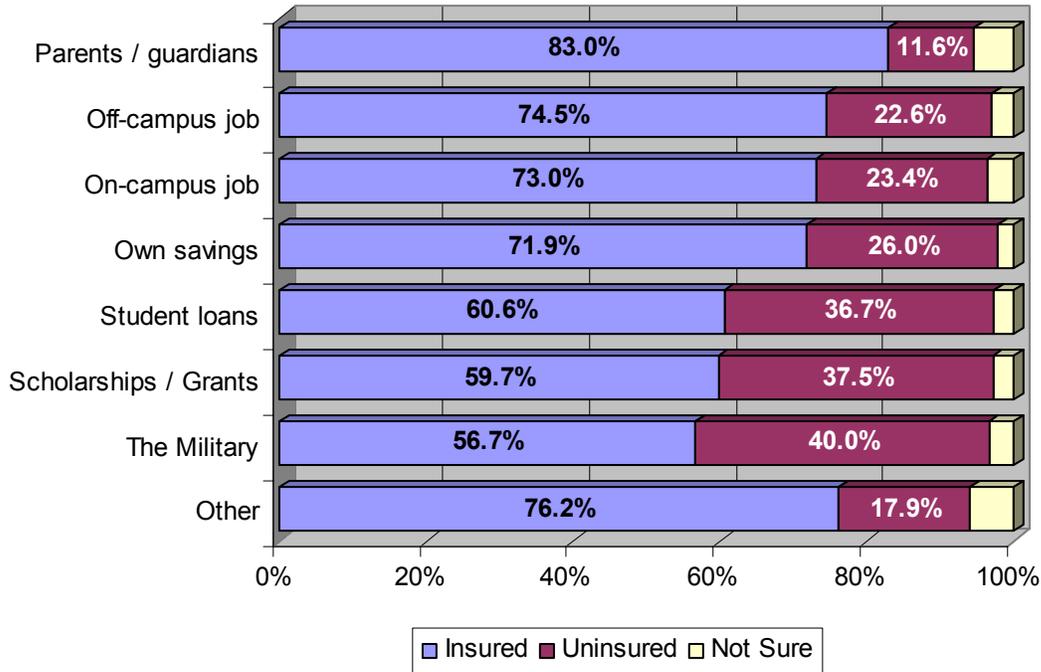
Employment Status

Students that work full-time while attending college are more likely to have insurance than either students working part-time or those that are unemployed. Nineteen percent of students working full-time are uninsured, compared to 34 percent of students working part-time and 28 percent of students that do not work. Students that work full-time likely have better access to employer-sponsored coverage than those working part-time.

Source of Education Funding

Students’ insured status also varies with their primary source for financing their college education. Only 12 percent of students whose parents primarily pay for college are uninsured compared to 40 percent of students for whom the military primarily pays for college. Figure 3.3 shows insured and uninsured rates by students’ primary source of college funding.

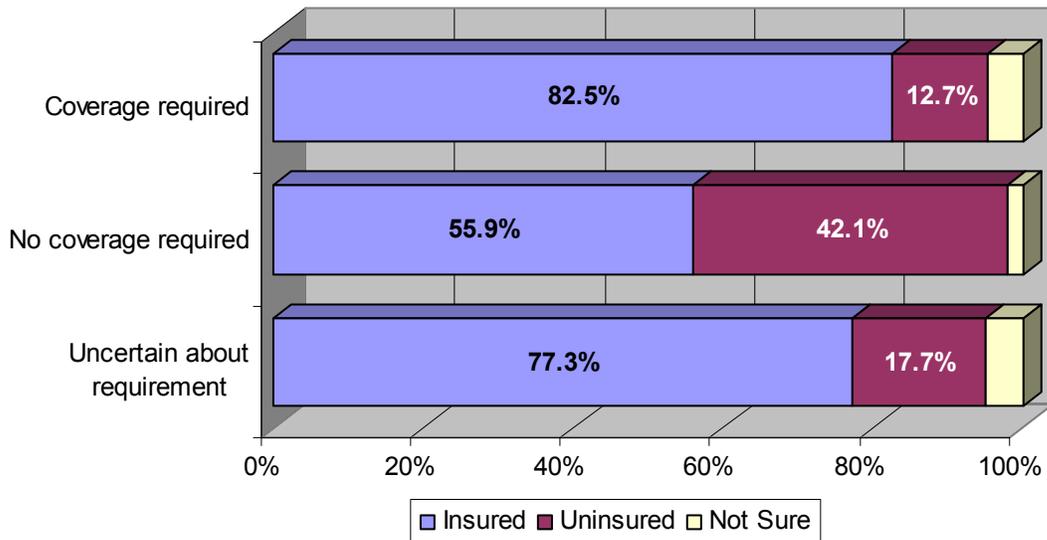
Figure 3.3
Insured Status by Primary Source of College Funding



Health Status

Most students report being in good health, but those that describe their health as fair or poor are less likely to have insurance. The uninsured rate among students in fair health is twice that of students in good health. Overall, 24 percent of students in good health are uninsured, compared to 47 percent of students in fair health and 41 percent of students in poor health.

Figure 3.4
Insured Status by Insurance Coverage Requirement



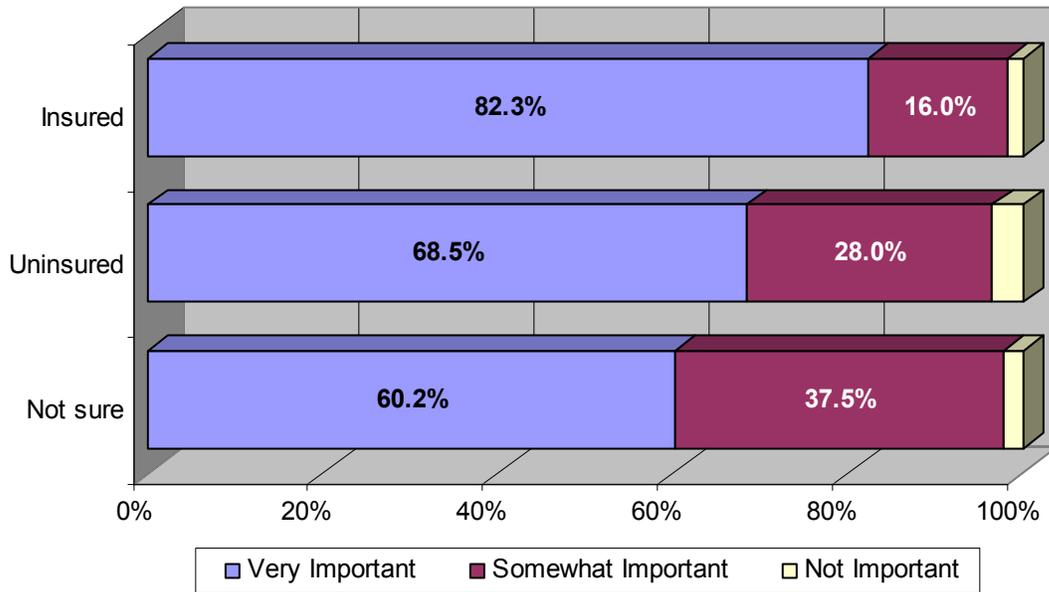
Connection to Student Health Insurance

Students who are required to have health insurance coverage by their college are much more likely to be insured than those who have no such requirement. Only 13 percent of students that are required to have coverage report being uninsured compared to over 40 percent of students that are not required to have insurance. (Note: Schools do not always verify that students actually have required coverage.) Figure 3.4 shows insured and uninsured rates of students that are and are not required to carry health insurance as a condition of enrollment.

Value of Coverage

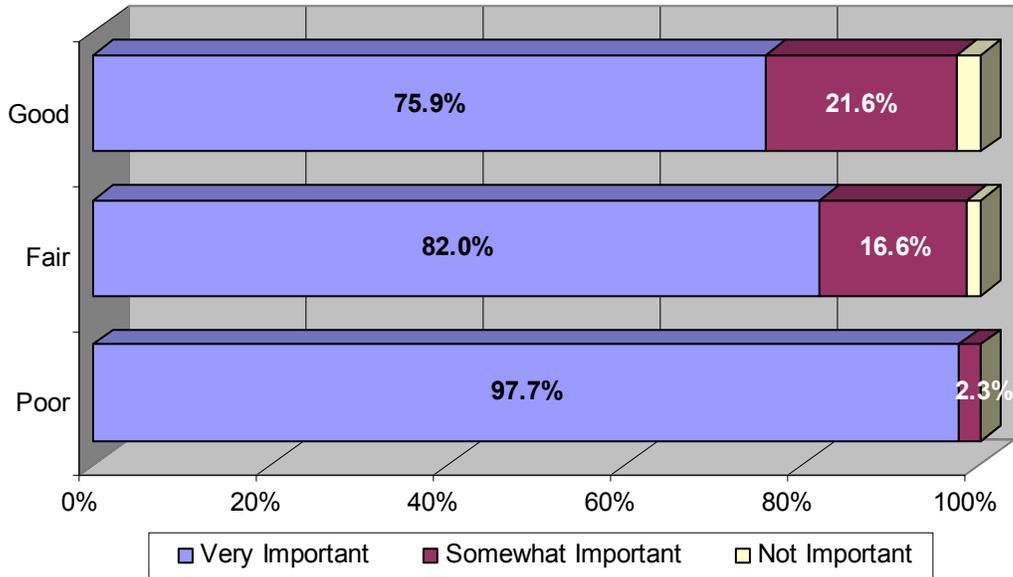
More than three-fourths of college students surveyed say that health insurance coverage is very important. Twenty percent feel that coverage is somewhat important, and only two percent report thinking that coverage is not important. Attitudes regarding the importance of coverage do not vary between students in public and private colleges. Attitudes toward coverage do vary, however, by insurance status and health status. Only two to three percent of students report feeling that coverage is not important regardless of their insurance status, but those that are insured are more likely to describe coverage as “very important” instead of “somewhat important.” Figure 3.5 shows students’ attitudes regarding the importance of coverage by insurance status.

Figure 3.5
Attitudes Regarding Importance of Coverage by Insured Status



The few students that report poor health are more likely to consider health insurance very important. Ninety-eight percent of students in poor health describe coverage as very important, compared to 82 percent of those with fair health and 76 percent of those in good health. No student in poor health described coverage as not important. Figure 3.6 shows students' attitudes regarding coverage by health status.

Figure 3.6
Attitudes Regarding Importance of Coverage by Health Status



In addition to rating the importance of coverage, students were asked how much they are willing and able to pay for health insurance coverage per month. About one-half of all students surveyed indicate a willingness to pay \$50 or more each month for coverage; however, only 38 percent of uninsured students would pay \$50 or more a month for coverage. Seventeen percent are willing to pay up to \$100 each month for coverage, but only 8 percent are willing to pay more than \$100 per month. Four percent are unable or unwilling to buy health insurance at any price. Uninsured students' responses indicate they are less able to afford coverage. Only 37 percent afford \$50 or more, and only six percent can pay up to \$100. Students that are in poor health, attending private colleges, or currently insured are more likely to say they would pay up to \$100 monthly for coverage. Students that are uninsured, attending a public college, or in poor health are more likely to say that they are unable or unwilling to purchase coverage at any price. Table 3.6 shows students' willingness and ability to pay for coverage by type of student.

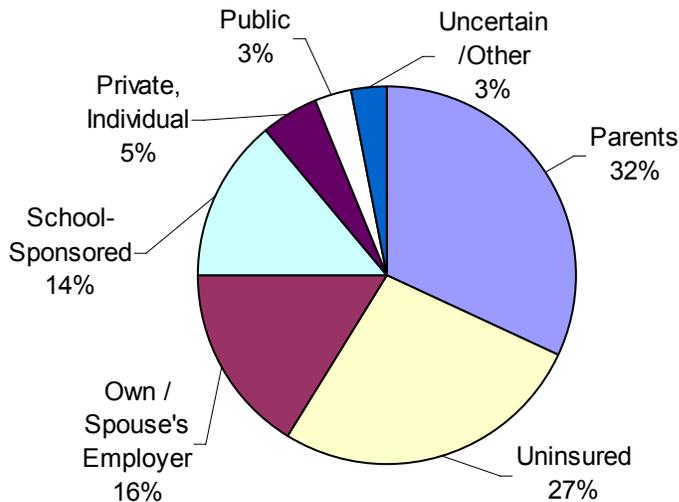
Table 3.6
Ability to Purchase Coverage by Type of Student

Monthly Amount Students Can Pay for Insurance	\$10+	\$25+	\$50+	\$75+	Up to \$100	More than \$100	Unable/Unwilling to Buy
All Students	96.2%	80.9%	50.8%	26.1%	17.40%	8.1%	3.8%
Insurance Status							
Insured	96.8%	83.7%	57.6%	32.1%	22.60%	11.5%	3.2%
Uninsured	94.6%	75.4%	37.3%	13.7%	6.30%	3.4%	5.4%
Public or Private College							
Public College	95.4%	76.4%	43.2%	19.8%	11.50%	4.6%	4.6%
Private College	97.0%	84.9%	57.7%	31.8%	22.80%	11.3%	3.0%
Health Condition							
Good Health	97.04%	82.6%	53.1%	27.6%	18.1%	8.7%	3.0%
Fair Health	93.93%	75.7%	41.9%	19.4%	14.1%	6.5%	6.1%
Poor Health	86.05%	65.1%	48.8%	41.9%	25.6%	4.7%	14.0%

How Students Obtain Coverage

The ways college students access insurance are noticeably different than the population in general. Compared to the non-elderly population nationally, college students rely much more on coverage through parents and their college and much less heavily on coverage through their own employer or the government. As shown in Figure 3.7, one-third of all surveyed students have coverage through a parent, and an additional 16 percent have employer-sponsored coverage through their own job or their spouse's job. Fourteen percent of students have coverage through school-sponsored, student health insurance plans, and 5 percent buy private, individual coverage. Only three percent of college students report having public insurance - including coverage from CHIP, Medicaid, Medicare, or the military - while 27 percent are uninsured.

Figure 3.7
Sources of Insurance Coverage for Texas College Students



As with uninsured rates, the source through which students obtain insurance coverage varies by students' demographic characteristics. Table 3.7 shows how different types of students rely on different sources of insurance coverage. Students that are most likely to get coverage through their parents include freshmen and sophomores, students aged 18 to 21, students whose parents are primarily paying for college, and students who do not know if their college requires them to have insurance coverage. Students that are most likely to have employer-sponsored coverage through their own job or their spouse's job include students who attend college part-time, those that work full-time, and students that are primarily paying for college with income from an off-campus job. Students that are most likely to have coverage through a school-sponsored, student health insurance plan include those that are required by their college to have coverage, students that are primarily paying for college from their income from an on-campus job, students ages 25 and older, and graduate, professional, and Ph.D. students.²

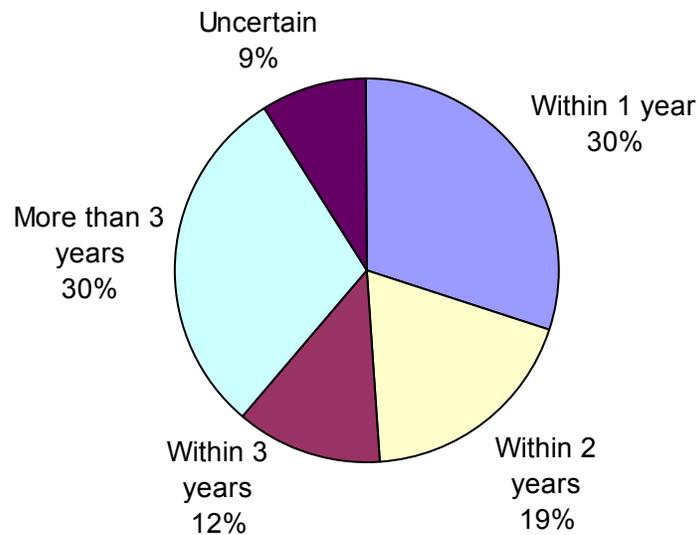
Table 3.7
Source of Insurance Coverage by Demographic Factors

	Parents	Own/ Spouse's Employer	School- Sponsored	Private, Individual	Public	Uncertain / Other	Uninsured
Number of All Respondents	811	403	349	131	83	67	683
Percent of All Respondents	32.1%	15.9%	13.8%	5.2%	3.3%	2.7%	27.0%
Type of College							
Private	31.5%	16.4%	19.0%	8.0%	2.0%	2.4%	20.7%
Public	32.7%	15.4%	8.1%	2.1%	4.7%	2.9%	34.1%
Grade Level							
Freshman	53.0%	4.7%	5.6%	1.2%	8.4%	4.7%	22.4%
Sophomore	51.6%	10.7%	3.3%	0.5%	3.6%	3.6%	26.8%
Junior	45.1%	8.6%	7.3%	1.6%	3.0%	1.9%	32.4%
Senior	38.2%	8.3%	6.2%	3.2%	2.1%	2.6%	39.3%
Graduate / Professional	11.9%	27.6%	24.5%	9.7%	2.2%	2.1%	22.1%
Ph. D.	4.1%	28.7%	35.1%	14.0%	2.3%	1.8%	14.0%
College Enrollment Status							
Full-time student	36.5%	9.7%	15.2%	5.2%	2.7%	2.8%	28.0%
Part-time student	10.1%	48.4%	6.4%	5.2%	6.2%	2.2%	21.5%
Age							
18-19	64.4%	0.2%	5.1%	1.1%	6.0%	3.9%	19.3%
20-21	61.7%	2.3%	5.5%	0.8%	2.5%	3.1%	24.2%
22-24	36.3%	10.9%	15.4%	6.2%	1.2%	1.5%	28.5%
25 and over	1.1%	32.6%	20.8%	8.5%	3.7%	2.6%	30.8%
Race / Ethnicity							
African American	28.7%	14.9%	12.6%	2.3%	9.2%	0.0%	32.2%
Asian American	30.8%	14.3%	15.4%	4.4%	2.2%	3.3%	29.7%
Hispanic	21.5%	14.9%	8.1%	2.8%	4.7%	3.0%	45.1%
White (Non-Hispanic)	39.1%	16.8%	15.2%	4.7%	2.3%	2.4%	19.6%
Other	14.0%	12.8%	22.3%	19.6%	4.5%	5.0%	21.8%
Current Employment Status							
Full-time	9.2%	57.2%	7.3%	4.7%	2.6%	1.9%	17.0%
Part-time	33.6%	8.8%	15.9%	4.7%	2.3%	2.8%	31.8%
Not employed	40.4%	6.3%	14.2%	5.9%	4.4%	2.8%	25.9%
Primary College Funding Source							
Parents / Guardians	69.0%	1.5%	8.4%	5.2%	1.7%	3.9%	10.4%
Student Loans	24.1%	15.4%	17.1%	4.3%	36.1%	2.1%	34.0%
Scholarships / Grants	26.6%	12.0%	14.8%	5.5%	4.5%	1.8%	34.8%
Off-campus job	9.0%	64.2%	3.0%	2.2%	0.7%	0.7%	20.1%
On-campus job	13.0%	25.4%	26.6%	10.1%	0.7%	2.2%	21.7%
The military	6.7%	16.7%	0.0%	0.0%	33.3%	6.7%	36.7%
Own savings	21.7%	23.9%	18.5%	8.7%	1.1%	3.3%	22.8%
Other	7.1%	48.8%	7.1%	4.8%	4.8%	7.1%	20.2%
Health Status							
In good health	34.0%	17.1%	14.9%	6.0%	2.9%	2.5%	22.6%
In fair health	25.3%	12.2%	10.0%	2.4%	3.8%	2.8%	43.5%
In poor health	23.3%	7.0%	9.3%	0.0%	16.3%	7.0%	37.2%
Required to Have Insurance 0.0by College?							
Yes	27.0%	10.8%	31.4%	18.1%	1.6%	4.4%	6.7%
No	21.6%	14.8%	15.0%	4.1%	2.9%	2.5%	39.3%
Uncertain	46.8%	19.0%	6.7%	2.4%	4.4%	2.3%	18.2%

Time since Last Covered by Insurance

Uninsured students were asked to indicate how long it had been since they were last covered by insurance. Twenty percent of all students have lacked insurance coverage for more than a year. Of uninsured students, 30 percent had coverage within the last year, but an equal proportion has remained uninsured for over three years. Figure 3.8 shows the uninsured student population by the amount of time that has elapsed since they lost their last insurance coverage.

Figure 3.8
Time Since Last Insurance Coverage, All Uninsured Students

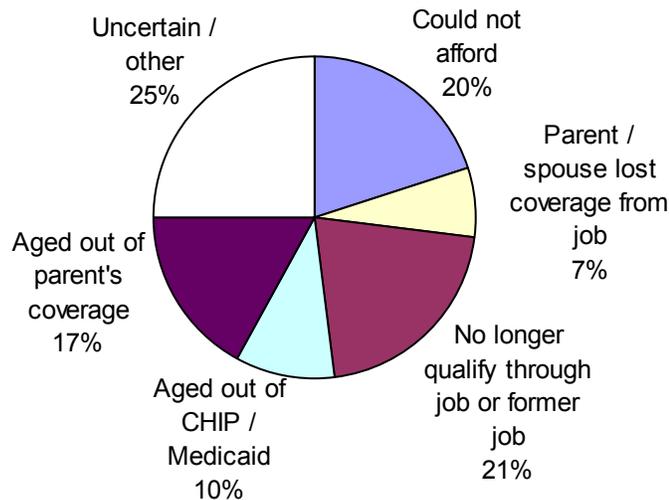


Reason Last Coverage Lost

Students lose insurance coverage for a variety of reasons. Twenty percent of the uninsured students lost their coverage because they could no longer afford it. Seven percent lost their connection to coverage when their parent or spouse lost their employer-sponsored coverage. This could have resulted from a job change, a change in the employee's eligibility, or the employer may have stopped offering coverage altogether. Twenty-one percent of uninsured students lost their own employer-sponsored coverage. This may have resulted from a student leaving a job entirely or cutting back to part-time so that they could attend college.

More than one in four uninsured students aged out of their prior coverage. Ten percent of uninsured students aged out of coverage through CHIP or Medicaid, which generally happens at age 19, and 17 percent aged out of their parents' coverage, which unmarried children can stay on until they turn 25 if the plan is fully-insured. Almost one-half of the uninsured students that reported aging out of their parents' coverage are under age 25, single, and from Texas. According to Texas law, children can remain on their parents' coverage in fully-insured plans until they turn 25 or marry,³ so there is a chance that some of these students are in fact still eligible for their parents' coverage but are not aware of the statutory change. Others may be covered under self-funded plans, which are not subject to state insurance regulation. Figure 3.9 shows reasons given by uninsured students for losing their prior insurance coverage.

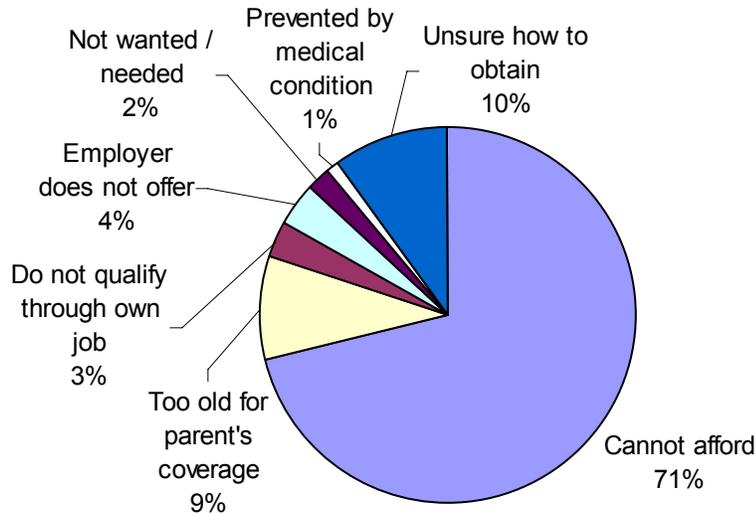
Figure 3.9
Reason for Losing Prior Coverage, All Uninsured Students



Reason for Currently Lacking Coverage

Uninsured students provided various reasons why they currently lack health insurance, as seen in Figure 3.10, but by far the most frequent response was that they could not afford coverage. Nearly three of four uninsured students named cost as the primary reason they lack coverage. Only 2 percent of uninsured students claimed that they did not need or want coverage. One percent said a medical condition prevented them from obtaining coverage, but that would not be true of their college's student health insurance plan since plans cannot exclude students for reasons related to health status. Seven percent of students cited an inability to get coverage through their employer, either because their employer did not offer coverage or because they were ineligible for it. Ten percent of uninsured students said that they did not know how to obtain coverage, and 9 percent said that they were too old to remain on their parents' coverage.

Figure 3.10
Primary Reason for Being Uninsured, All Uninsured Students



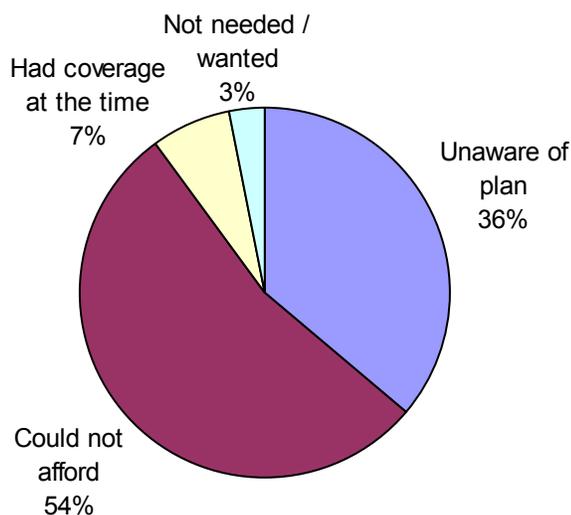
A closer investigation of students that think they are not eligible for their parents' coverage reveals that some of them may be incorrect. Sixty percent of the uninsured students that said they are too old for their parent's coverage are under age 25, single, and from Texas. These students comprise 5 percent of the total uninsured student population, and many of these students may still be eligible for coverage through their parents, if their parents are in fully insured plans.

Reason for Not Buying School Coverage

Finally, uninsured students were asked why they did not purchase the student health insurance plan offered by their college. As shown in Figure 3.11, more than one-half of uninsured students said that they could not afford school-sponsored coverage, and one-third were not aware that it was available. Seven percent of uninsured students said that they had other coverage at the beginning of the academic year or semester when school-sponsored coverage was offered to them, and three percent said they did not need or want health insurance.

Although the web-based survey form included a link where students could send feedback or questions to TDI, very few students contacted TDI. Of the eight students that did, three students felt that the school-sponsored plan available to them either had inadequate coverage in general or was not worth the price of the plan.⁴

Figure 3.11
Reason for Not Buying School-Sponsored Coverage,
All Uninsured Students



Conclusion

TDI's survey of Texas college students found that three out of ten students lack health insurance coverage. When considering only those students that are not required to have coverage by their college, 42 percent are uninsured. With such a significant share of the student body uninsured on Texas campuses, a profile of a "typical" uninsured student cannot be created; however, some categories of students are clearly more likely to lack coverage. Students with the highest risk of being uninsured include minorities, single parents, students at public colleges, senior-level students, students over the age of 20, students that work part-time while attending college full-time, and students that rely primarily on financial aid to pay for college.

Contrary to some common perceptions, college students in Texas overwhelmingly describe insurance coverage as "very important." Only two percent of uninsured students say they lack coverage because they do not need or want it. The most significant barrier to access for students is the cost of coverage. If premiums could be reduced to \$25 per month, three-fourths of uninsured students would be able to purchase plans. These factors should all be considered in developing new policies that will effectively reduce the high uninsured rates on Texas campuses.

Notes

¹ U.S. Bureau of the Census and U.S. Bureau of Labor Statistics, Current Population Survey March Supplement, *Codebook, Person Variables*. Online. Available: <http://www.bls.census.gov/cps/ads/sddperv.htm>. Accessed: April 23, 2005.

² Data from student responses to the Texas Department of Insurance, *2005 Survey of College Students' Health Insurance Coverage*, February-March 2005.

³ Texas Insurance Code, Article 3.51-6, Section 1(b).

⁴ Email from Southern Methodist University student (name withheld), "SMU Survey," February 18, 2005; email from University of Texas student (name withheld), "Re: UT students and health insurance, February 25, 2005; and Email from Baylor University student (name withheld), "email_connection," March 4, 2005.

Chapter 4. Student Health Insurance Plans and Coverage Requirements at Texas Colleges

Prior to the Texas Department of Insurance's study of student health insurance, little information had been compiled about what health insurance coverage Texas colleges were offering to and requiring of students. A formal study of the degree to which college students in Texas have access to health insurance coverage through their college had not been undertaken. In addition, there had never been a comprehensive investigation into the range of university policies that require some or all students to have coverage as a condition of enrollment. To gain an understanding of student health insurance plans offered in the state and gather input directly from administrators of school-sponsored plans, the Texas Department of Insurance (TDI) surveyed Texas colleges and universities in 2004.

Methodology of College Survey

In August 2004, TDI mailed the *2004 College and University Student Health Insurance Survey* to each of the 142 institutions of higher education in the state.¹ Over the course of four months, 100 responses were received. Additional information was captured from the student health insurance marketing brochures and summaries of benefits. The 100 colleges and universities that responded represent approximately 83 percent of the higher education students in Texas.² Table 4.1 shows the breakdown of colleges that responded to the survey. All nine health-related institutions³ responded, as did 34 of 35 public universities.⁴ Responses were also received from 21 of 41 private colleges and universities and from 36 of 57 public, two-year junior colleges.⁵ Unless otherwise noted, all of the data in this chapter come from responses to TDI's *2004 College and University Student Health Insurance Survey*.

Some of the components of student health insurance plans presented in this chapter were also discussed in Chapter 2, such as plan eligibility and plan cost. Each chapter presents a different perspective, however, through which to analyze and understand student health insurance plans in Texas. In Chapter 2, plan components were analyzed by plan, so that the one plan offered by all 14 colleges in the University of Texas System was given the same weight as a plan offered by a small, private college. In this chapter, plan components will be analyzed by school, so the University of Texas System colleges account for 14 of the 100 responses received by TDI. Also, there are a few plans that were considered in one analysis, but were unavailable for the other due to varying survey respondents.

Table 4.1
Responses to TDI's 2004 Survey of Colleges
Regarding Student Health Insurance

Type of Institution	Number in Texas	Number that Responded	Response Rate
Public universities	35	34	97%
Private colleges and universities	41	21	51%
Public, two-year junior colleges	57	36	63%
Health related institutions	9	9	100%
All Colleges	142	100	70%

Student Health Insurance Plans at Texas Colleges

Colleges Offering Plans

TDI's survey shows 63 percent of institutions of higher education in Texas offer school-sponsored health insurance coverage to students. All health-related institutions offer such a plan, as do all but two public universities. Fifty-seven percent of private colleges and universities offer student health insurance, while only 28 percent of public junior colleges offered coverage. Table 4.2 shows the number and percentage of responding colleges that offer student health insurance plans.

Table 4.2
Colleges That Offer Student Health Insurance Plans by Type

Type of College	Number that offer insurance	Percent of Respondents
Public universities	32	94%
Private colleges and universities	12	57%
Public, two-year junior colleges	10	28%
Health related institutions	9	100%
All Responding Colleges	63	63%

Reasons for Not Offering a Plan

According to TDI's survey, 37 percent of colleges in Texas do not offer a student health insurance plan. Only one of those institutions reported offering a plan in the past, and it stopped offering coverage in 1999 due to low enrollment. Out of a student body of approximately 55,000 students, less than 400 purchased the student health insurance plan. The school indicated that their low enrollment was due primarily to students' inability to

afford coverage and a lack of interest in health insurance coverage. To assist students seeking coverage, they now post on their website a list of agents and insurance companies that sell health insurance.⁶

Colleges reported a variety of reasons for not offering student health insurance (summarized in Table 4.3). When asked to indicate all of the reasons that they did not offer a student health insurance plan, the most frequent response from all colleges was “uncertain,” followed by “most students have health insurance coverage” and “most students cannot afford health insurance.” Following “uncertain,” the most frequent responses from public junior colleges were “most students cannot afford health insurance,” “it has never been suggested/considered,” and “most students have health insurance coverage.” The most frequent response from private colleges was “most students have health insurance coverage,” followed by “most students are not interested in health insurance” and “uncertain.” No college reported difficulty finding an insurer that would write student health insurance coverage for their institution.

Table 4.3
Reasons Why Colleges Do Not Offer Student Health Insurance Plans

Reason	Number of Responses	Percentage of Schools Citing Reason
Uncertain	9	24.32%
Most students have health insurance coverage	8	21.62%
Most students cannot afford health insurance	8	21.62%
It has never been suggested/considered	6	16.22%
Most students are not interested in health insurance	5	13.51%
Other	5	13.51%
We provide information on non-school plans	4	10.81%
We offered a plan in the past, but enrollment was low	1	2.70%
No insurance company would offer coverage through school	0	0.00%

Eligibility in Student Health Insurance Plans

Eligibility requirements for student health insurance vary by plan and/or school. Some plans extend eligibility only to students that are taking a certain number of credit hours. The minimum number of hours required for eligibility ranges from one hour to 12 hours. Seventy percent of colleges responding to TDI’s survey allow all registered students to enroll in the student health insurance plan. All nine health-related institutions allow all registered students to enroll in school-sponsored insurance. Plans from non-health-related institutions placed limitations on eligibility more frequently. Sixty-nine percent of public universities, 60 percent of public, junior colleges, and 58 percent of private colleges and universities extend eligibility to all registered students. Extending eligibility

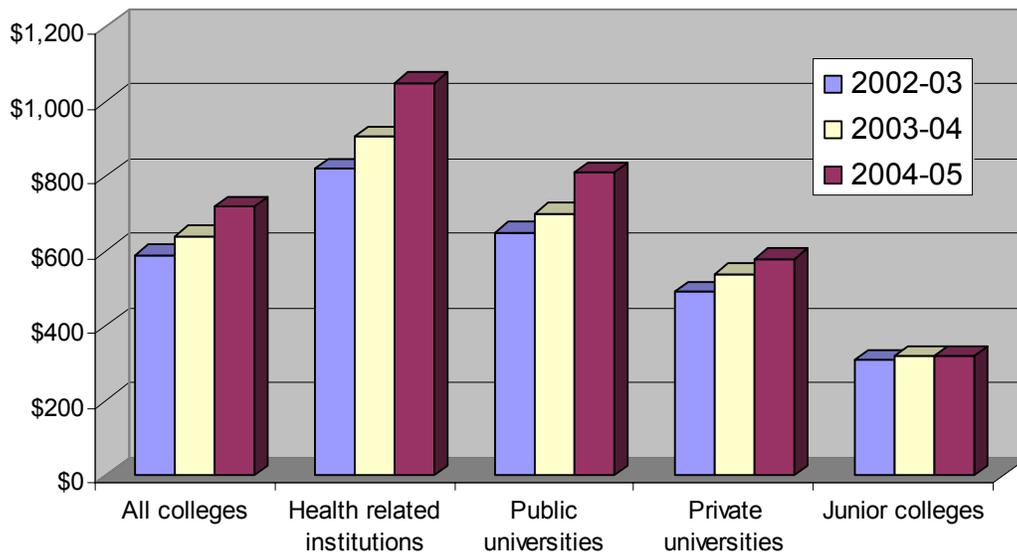
to the dependents of enrolled students was also the norm. Ninety percent of colleges allow students who purchase coverage to also enroll their spouse and/or children. Only 10 percent of colleges limited enrollment to students only. No colleges reported limiting eligibility of students based on age.

Costs for Coverage in Student Health Insurance Plans

Student Premiums

As reported from colleges to TDI, premiums for student-only coverage during the 2004-2005 academic year ranged from \$79 per year to \$2,052 per year.⁷ The average annual student-only premium across the 63 colleges that provided the requested data was \$718, and the median was \$835. In general, the most expensive student-only coverage was sold through health-related institutions and the least expensive was sold through junior colleges. The average annual student-only premium during the 2004-2005 academic year was \$1,044 at health-related institutions, \$805 at public universities, \$573 at private colleges and universities, and \$319 at public, junior colleges.⁸ Figure 4.1 compares average annual premiums for student-only coverage across types of colleges during the three most recent academic years.

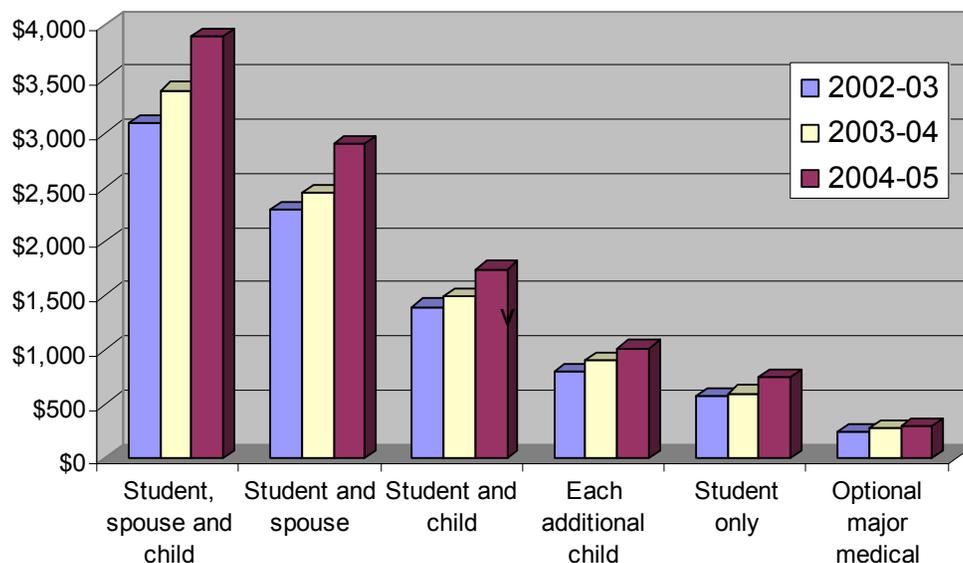
Figure 4.1
Average Student-Only Annual Premium by Type of College,
Three Most Recent Academic Years



Dependent Premiums

Adding dependents to student health insurance makes coverage considerably more expensive. The average annual premium for student and spouse coverage during the 2004-2005 academic year was \$2,897, four times the cost of student-only coverage. The average annual premium for student and child coverage was \$1,741, and student, spouse, and child coverage averaged \$3,911 annually. More than one-half of the plans sold through colleges in TDI's sample charge an additional premium per child to cover an enrollee's additional children. The average annual premium for this coverage during the 2004-2005 academic year was \$1,026 per each additional child.

Figure 4.2
Average Annual Premium by Type of Coverage,
Three Most Recent Academic Years



Plans from 48 percent of colleges in TDI's sample offered additional catastrophic coverage, also referred to as an optional major medical benefit, to students. In general, this coverage increased the basic maximum benefit three or four times, and in some cases the major medical benefit covered expenses at a higher percentage than the basic benefit. The average annual premium for this optional coverage in 2004-2005 was \$306. Figure 4.2 compares average annual premiums for different types of coverage during the three most recent academic years.

Increasing Premiums

Consistent with the general trends in health insurance premiums, the cost of student health insurance has been increasing for at least the last two years. The average annual student-only premium in Texas increased from \$590 to \$718, or 22 percent over the two years, from the 2002-2003 academic year to the 2004-2005 academic year. The rate of increase of student-only premiums was less than that of dependent coverages on average. The average premium increase across all of the coverages depicted in Figure 4.2 during the two most recent academic years was 26 percent. Premiums for family coverage in employer-sponsored plans increased 14 percent in 2003 and 11 percent in 2004.⁹

Plan Promotion

TDI's survey asked colleges that offer student health insurance how the insurer and the college inform students about the plan. Nearly all colleges indicated that they make information about the plan available on campus. The next most frequent response, indicated by 81 percent of schools, is that information on the plan is posted to the college's website. The only option indicated by less than one-half of the responding colleges was that during registration, a student must choose to accept or reject the school's insurance plan. Table 4.4 summarizes the methods by which student health insurance is promoted to the student body and/or student's parents.

Table 4.4
Methods for Promoting Student Health Insurance
and Their Use by Colleges

Promotion method	Number of Colleges Citing Method	Percentage of Colleges Citing Method
Distribute materials on campus	61	97%
Information distributed via school website	51	81%
Send letter to students' parents and/or students	47	75%
Distribute information at new student orientation	45	71%
Advertise in school newspaper	42	67%
Put notice in registration materials or fee statements	36	57%
Student must choose to accept or reject insurance during registration	21	33%

Payment Method

Institutions have developed different methods whereby students purchase student health insurance. The two primary options are paying premiums directly to the insurer or paying for the plan as part of tuition and fees. Of the 63 colleges that replied to TDI's survey and offer insurance, one-third bill students for insurance as part of tuition and

fees, 46 percent require students/parents to pay directly to the insurer, and 21 percent of schools use a combination of the two options. Two-thirds of private colleges, health-related institutions, and junior colleges bill students for insurance on the college's tuition and fee bill. No public university uses this method exclusively. Rather, 72 percent of public universities require students to purchase insurance directly from the carrier, and the remaining public universities use a combination of payment methods. Eleven of the 13 schools that employ both methods charge students that are required to carry insurance on their tuition and fee bill, but students who voluntarily choose to purchase coverage must go through the carrier. The two remaining colleges allow students the choice of paying as part of tuition and fees or paying directly to the insurer.

Continuation of Eligibility Past Graduation

Colleges were asked specifically if graduates could extend coverage for a period following graduation. Sixty percent of colleges indicated that graduates may extend their coverage for periods ranging from three to twelve months. The responses to this question could indicate two slightly different policy provisions. Colleges that responded affirmatively may offer an annual purchase option, so students that bought annual coverage in September but graduate in December or May can retain coverage through August. Alternately, they may have a specific clause that allows graduates an additional period of eligibility in which they may purchase coverage.

Insurance Coverage Requirements at Texas Colleges

TDI's survey of colleges in Texas found that most require some students to have health insurance coverage as a condition of enrollment; however, more often than not, this requirement applied only to international students. Of the 100 colleges and universities that responded to TDI's survey, 12 indicated that all students are required to carry health insurance, 61 require certain students to have health insurance, and 27 do not require coverage of any student. Table 4.5 shows student insurance requirements by type of college.

Table 4.5
Percentage of Texas Colleges with Insurance Coverage Requirements

	All students	Certain students	No students
Public Universities	0%	97%	3%
Private Colleges and Universities	24%	71%	5%
Health-Related Institutions	78%	22%	0%
Public Two-Year Junior Colleges	0%	31%	69%
All Responding Colleges	12%	61%	27%

No public university or public junior college reported requiring all students to have coverage, but that requirement was prevalent in health-related institutions. Table 4.6 lists the 12 colleges that indicated they require all students to have insurance coverage with their Fall 2004 enrollment. With the notable exception of public junior colleges, few colleges had no health insurance coverage requirements. Of the 34 responding public universities, only one does not require insurance coverage for any student, and 33 require coverage for certain students. Conversely, about one-third of public junior colleges require insurance coverage of certain students while two-thirds had no insurance requirements for any students. Approximately one-fourth of private colleges and universities that participated in the survey require all of their students to have insurance coverage as a condition of enrollment, and more than 70 percent require insurance coverage of certain students.

Table 4.6
Texas Colleges That Require Insurance Coverage for
All Students with 2004 Enrollment

College	Fall 2004 Preliminary Enrollment
Baylor College of Medicine	1,290
Lon Morris College	397
Jarvis Christian College	538
McMurry University	1,386
St. Edward's University	4,651
Southwestern University	1,277
University of North Texas Health Science Center	958
UT Health Science Center-Houston	3,408
UT Health Science Center-San Antonio	2,845
UT M.D. Anderson Cancer Center	70
UT Medical Branch at Galveston	2,149
UT Southwestern Medical Center-Dallas	2,283

Sources: Data from college responses to the Texas Department of Insurance, *2004 College and University Student Health Insurance Survey*, August-November 2004; and Texas Higher Education Coordinating Board, "Certified 2003 Enrollment and Preliminary Fall 2004 Enrollment in Texas Institutions of Higher Education" (Excel spreadsheet).

Seven of nine public health-related institutions require all of their students to carry insurance, and the remaining two institutions require coverage for medical students but not students in academic fields. Texas law explicitly states that health-related institutions of higher education may require their students to have health insurance coverage.¹⁰ As mentioned in Chapter 1, these colleges advocated in favor of this statute in 2001 because they felt that their student body was at an increased risk of health-related problems due to needle pricks, exposure to infectious diseases, etc.¹¹

International Students

When asked which students were required to carry insurance, the most frequent response was international students. Ninety-three percent of colleges that require coverage for some or all students require their international students to have coverage. International students with J-1 visas are required by federal law to have health insurance with a minimum level of benefits. Most colleges in Texas require all international students to have insurance coverage regardless of what type of visa they hold.

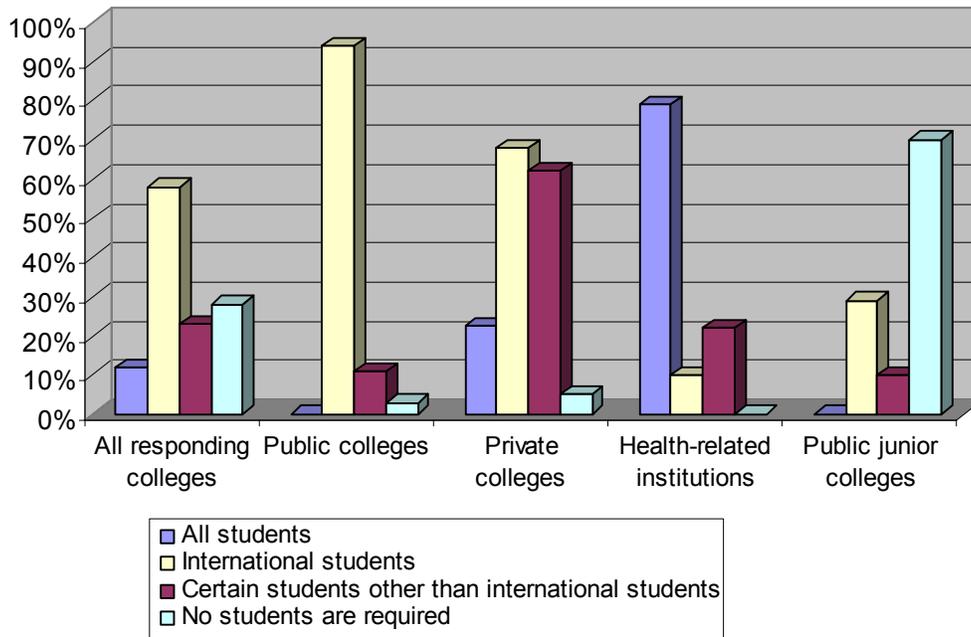
In many cases, international students are the only category of student for which coverage is mandatory. Of the 61 colleges that reported requiring certain students to have

coverage, 40 require only international students to have coverage. A mandatory insurance requirement that applies only to international students was more common in public universities and public junior colleges. Thirty of the 33 public universities that indicated they require certain students to carry insurance only require this of international students. The same is true for seven of the 11 junior colleges that require certain students to carry insurance. Private colleges are less likely to apply insurance requirements to only international students. Of the 15 private colleges that require insurance coverage for certain students, only five limit that requirement to international students. No health-related institution requires coverage for only international students.

Other Categories of Students That Must Have Insurance

Colleges indicated that a variety of students other than international students are required to have insurance. Six colleges require students living on-campus to have coverage. Six colleges, all of which are private institutions, require all students enrolled in a certain number of hours to have coverage. Two of those colleges require insurance coverage for all full-time students, two require coverage for students taking at least nine hours, and the other two require coverage for students taking at least six hours. Seven colleges require coverage for students enrolled in certain areas of study, including nursing, physical therapy, and other health-related programs. Two colleges, both of which are private, require all undergraduate students to have health insurance. Figure 4.3 shows the percentage of colleges that require students to have insurance by type.

Figure 4.3
Percent of Colleges in Texas That Have Insurance Requirements by Type of Student

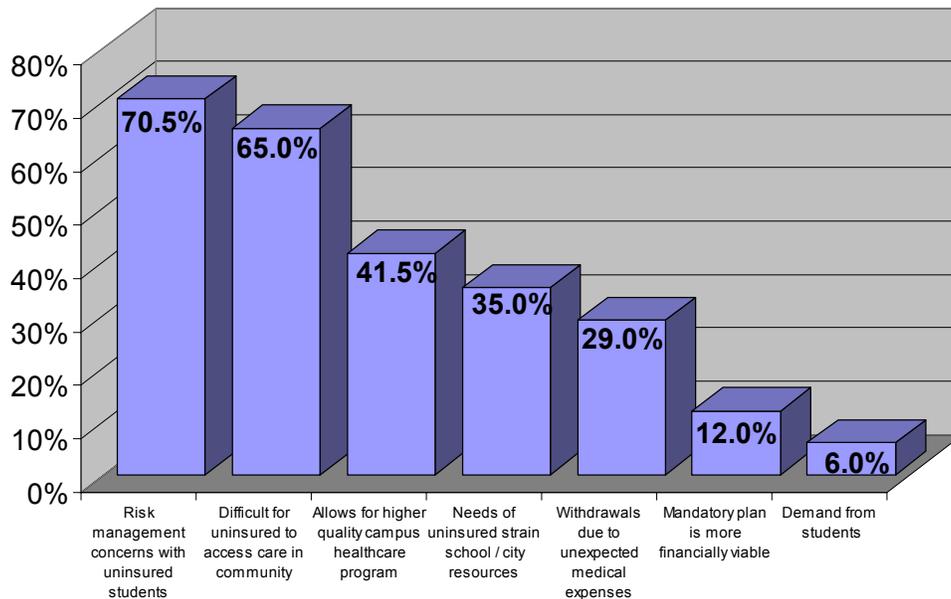


Source: Data from college responses to the Texas Department of Insurance, *2004 College and University Student Health Insurance Survey*, August-November 2004. Note: Categories will not add up to 100 percent because many schools require both international students and certain other students to have coverage.

Reasons for Insurance Requirements

Medical schools and other colleges that require their students in health-related studies to carry insurance often do so because of the increased health risks these students face as a result of their coursework.¹² Colleges that require international students to have insurance are commonly motivated by potential financial risks to international students and the sponsoring institution if a student was to incur significant medical expenses. Reasons why colleges require other categories of students to carry insurance vary; the most frequent response was risk management concerns related to uninsured students. Another common concern was that uninsured students had difficulty accessing health care in the community. Figure 4.4 shows reasons given by colleges that require students other than international and health services-related students to carry insurance.

Figure 4.4
Frequency of Reasons Given for Requiring Non-Medical and Non-International Students to Have Insurance Coverage



Waivers of School-Sponsored Plans

Of the 63 colleges in TDI’s sample that offer student health insurance plans, only seven require some students to enroll specifically in the school-sponsored plan as opposed to allowing for alternate coverage through a parent, spouse, etc. The majority of colleges that require some or all students to have coverage allow waivers of the school-sponsored coverage if students have alternate health insurance coverage. Each of the seven colleges that do not grant waivers requires only a small proportion of students to enroll in the school-sponsored plan. All seven are public colleges and universities. This enrollment mechanism is used at four colleges where only international students are required to have insurance coverage and one college where it only applies to students living on campus. The remaining two colleges that use this enrollment mechanism only apply it to some of the students who are required to have coverage. At these colleges, both international students and students living on campus are required to have insurance coverage; however, waivers are only granted to on-campus students who have alternate coverage. International students are automatically enrolled in the school-sponsored plan and cannot waive out.

The process used to earn a waiver of school-sponsored insurance varies by college. TDI’s survey asked schools about two parts of their waiver process: 1) what must students provide as proof of alternate coverage, and 2) by which standard is that coverage

judged to determine if a waiver will be granted. Fifty-three colleges in TDI's survey have coverage requirements for some or all students and grant waivers. Of those, 43 require students to show proof of alternate coverage, such as an insurance card, before they can waive the school-sponsored plan. Students in the other ten colleges must indicate that they have coverage by signing a form or some other means to waive the school-sponsored plan.

Of those colleges that require the students' alternative coverage to meet certain standards before a waiver will be granted, seventeen colleges require the student to attest that their coverage is comparable to that of the school-sponsored plan. Twenty-three colleges require that a student's alternate coverage meets minimum standards that are specified by the college. Three colleges reported being uncertain of the method used to evaluate alternate coverage during a waiver application. Table 4.7 shows the various methods of evaluating alternate coverage by type of college.

Table 4.7
Methods Used to Evaluate a Student's Alternate Coverage before a Waiver of School-Sponsored Insurance Is Granted

Method	All colleges	Public universities	Private colleges	Health-related institutions	Junior colleges
No evaluation by school nor student	19%	0%	75%	11%	0%
Student attests coverage is comparable to school plan	32%	31%	17%	56%	33%
Coverage must meet standards set by school	43%	62%	8%	33%	33%
Uncertain	6%	7%	0%	0%	33%

Private colleges were the most likely to grant waivers without an evaluation of the student's alternate coverage. Health-related institutions were the most likely to require students to compare their alternate coverage to that of the school-sponsored plan and indicate that the coverage is comparable for a waiver. Public universities were the most likely to require a student's alternate coverage to meet specific minimum standards defined by the school. Nearly all public universities, however, require coverage solely for international students, so their more stringent waiver requirements are likely a reflection of the federal law that requires students with J-1 visas to have insurance coverage with a defined level of minimum benefits.

Financial Aid for Insurance Costs

Finally, TDI asked schools that require some or all students to have health insurance coverage if they include the costs of insurance premiums when they calculate financial aid packages awarded to students. Many survey respondents did not know if insurance costs were considered when determining financial aid. Of the colleges that could offer a response, about one-half did consider insurance costs when determining financial aid, and the other half did not.

Conclusion

TDI's survey of colleges in Texas reveals that they treat student health insurance in many different ways. Most offer school-sponsored plans, but more than one-third do not. Overall, few schools require all students to have insurance coverage, but many require coverage for certain students, especially international students. The availability of a plan and requirements for coverage vary dramatically by type of institution. The fact that there is not one predominant way student health insurance is structured at Texas colleges may make creating policies to insure more students challenging, but it also offers varied perspectives from which to learn what systems work best.

Notes

¹ Institutions of higher education in Texas as listed in Texas Higher Education Coordinating Board, *Texas Higher Education Facts – 2004*, Austin, Texas, 2004. Online. Available: <http://www.theccb.state.tx.us/reports/pdf/0445.pdf>. Accessed: February 18, 2005; and Texas Higher Education Coordinating Board, “Certified 2003 Enrollment and Preliminary Fall 2004 Enrollment in Texas Institutions of Higher Education” (Excel spreadsheet). Institutions of higher education in Texas include: 35 public universities including 31 public, four-year universities and four public, two-year, upper division universities; 57 public, two-year colleges including 50 public, community college districts, four campuses of the Texas State Technical College System and three two-year, Lamar state colleges; 39 independent, four-year colleges and universities; two independent, two-year junior colleges; eight public, health-related institutions and medical schools; and one independent medical school.

² Data from college responses to the Texas Department of Insurance, *2004 College and University Student Health Insurance Survey*, August-November 2004; and Texas Higher Education Coordinating Board, “Certified 2003 Enrollment and Preliminary Fall 2004 Enrollment in Texas Institutions of Higher Education” (Excel spreadsheet).

³ *Health-related institution* refers specifically to medical schools/health component institutions as categorized by the Texas Higher Education Coordinating Board. The nine health-related institutions in Texas include: Baylor College of Medicine, Texas Tech University Health Sciences Center, The Texas A&M University System Health Science Center, The University of Texas Health Science Center at Houston, The University of Texas Health Science Center at San Antonio, The University of Texas M. D. Anderson Cancer Center, The University of Texas Medical Branch at Galveston, The University of Texas Southwestern Medical Center at Dallas, and University of North Texas Health Science Center at Fort Worth.

⁴ The use of the phrase *public university* specifically refers to public, four-year universities or two-year, degree granting, senior colleges.

⁵ The use of the phrase *junior college* throughout this report incorporates all forms of two-year colleges including state colleges, community colleges, and state technical colleges.

⁶ Dallas County Community College District response to the Texas Department of Insurance, *2004 College and University Student Health Insurance Survey*, August-November 2004.

⁷ All premium amounts in this report are given for 12 months of coverage offered according to an academic calendar year (September through August).

⁸ Data from college responses to the Texas Department of Insurance, *2004 College and University Student Health Insurance Survey*.

⁹ Kaiser Family Foundation and the Health Research and Educational Trust, *Employer Health Benefits 2004 Annual Survey* (2004), p. 1, Exhibit A. Online. Available: <http://www.kff.org/insurance/7148/index.cfm>. Accessed: March 15, 2005.

¹⁰ Texas Education Code, Sec. 51.952.

¹¹ Telephone interview with Stacey Silverman, Program Director, Texas Higher Education Coordinating Board, July 7, 2004.

¹² Silverman interview.

Chapter 5. Enrollment Rates in Student Health Insurance Plans in Texas

Colleges with high enrollment rates in their school-sponsored, student health insurance plan likely have a smaller percentage of uninsured students on campus. Determining what leads to high enrollment in some plans and low enrollment in others may provide valuable information to colleges seeking ways to address high rates of uninsured students on campus. This chapter identifies factors related to high enrollment rates in some student health insurance plans offered at Texas colleges and universities.

Methodology

As part of TDI's *2004 College and University Student Health Insurance Survey*, colleges in Texas were asked to supply student and dependent enrollment data from the 2002-2003 and 2003-2004 academic years. Not all colleges with student health insurance plans were able to provide all of the data requested, but 47 colleges and college systems¹ were able to provide the number of students enrolled in the plan² for the 2003 fall semester.³ Of the 47 institutions, 35 were public and 12 were private, while seven of the 47 were health-related institutions.

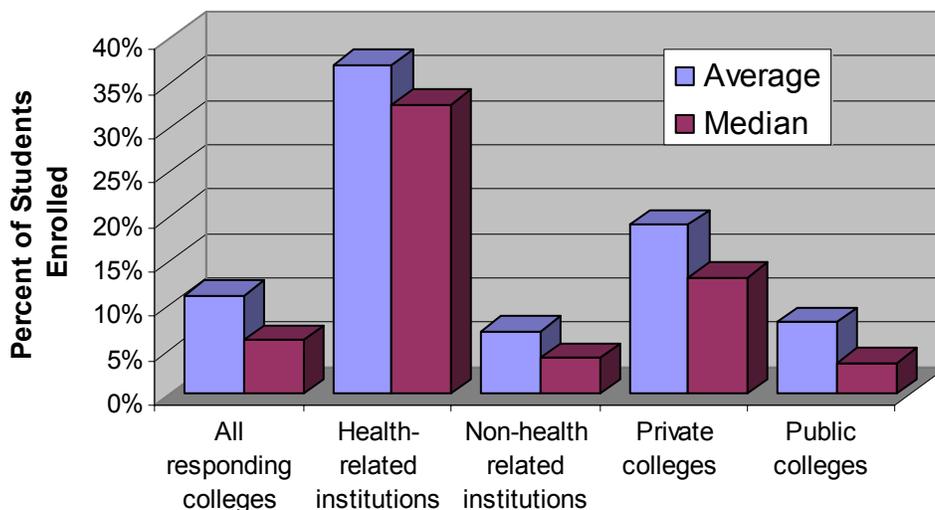
Certified fall 2003 enrollment numbers were obtained for all institutions of higher education in the state from the Texas Higher Education Coordinating Board.⁴ Total college enrollment was compared to student enrollment in the health insurance plan to determine plan student enrollment rates. Unless otherwise stated, all data presented in this chapter is based on enrollment data from the *2004 College and University Student Health Insurance Survey* and college enrollment data from the Texas Higher Education Coordinating Board.

Enrollment in Plans

Student Enrollment

The average student enrollment rate in school-sponsored plans across the 47 colleges and systems that could provide the relevant data was 11 percent in fall 2003. The highest enrollment rate was 77 percent at Baylor College of Medicine and the lowest was 0.24 percent at Prairie View A&M University. The median enrollment rate was 6 percent. As shown in Figure 5.1, enrollment rates were higher at health-related institutions than other institutions and higher at private colleges than public colleges.

Figure 5.1
Student Enrollment Rates in School-Sponsored Plans
by Type of School, Fall 2003



Source: Data from college responses to the Texas Department of Insurance, *2004 College and University Student Health Insurance Survey*, August-November 2004; and Texas Higher Education Coordinating Board, "Certified 2003 Enrollment and Preliminary Fall 2004 Enrollment in Texas Institutions of Higher Education" (Excel spreadsheet).

The average enrollment rate at health-related institutions was 37 percent and the median was 32 percent. The relatively high enrollment rate at health-related institutions likely reflects the general requirement at such institutions that all students carry health insurance as a condition of enrollment. At non-health-related institutions, the average enrollment rate was seven percent and the median rate was four percent. The average enrollment rate at private colleges was 19 percent and the median was 13 percent. At public colleges, the average enrollment rate was eight percent and the median rate was four percent.⁵

Dependent Enrollment

Enrollment rates for dependents were relatively low, which may be a reflection of the significantly higher cost of including dependents on these plans. For the 26 colleges and systems that were able to provide fall 2003 dependent enrollment data, the average share of enrollees that were dependents was 3.2 percent. On average, 96.6 percent of enrollees were students, 1.6 percent were spouses, and 1.6 percent were children.

Enrollment by Type of Student

A few of the colleges surveyed by TDI were able to provide more specific data on what types of students are enrolled in their school-sponsored coverage. Eleven colleges or

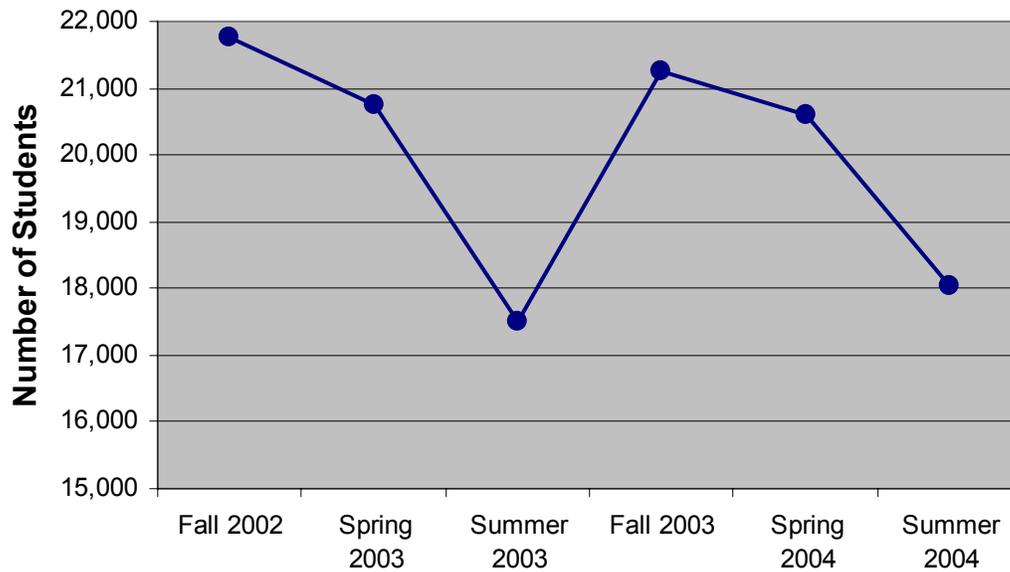
systems were able to break down enrollment by gender. The median gender distribution of enrollees was 55 percent female and 45 percent male. The maximum percentage of female enrollees at a college was 67 percent, and the maximum percentage of male enrollees was 54 percent. Thirty-one colleges or systems were able to provide data for the share of student enrollees that were international students. Of those, the median percentage of international student enrollees was 30 percent, but figures for international student enrollment ranged from zero percent to 92 percent.

Only one college, Southern Methodist University (SMU), was able to provide data on undergraduate versus graduate student enrollees. In SMU's plan, 35 percent of enrollees were undergraduate students and 65 percent were graduate students and professional students. As seen in Figure 5.2, graduate students are over-represented in SMU's plan relative to the student body, which is 56 percent undergraduate students and 44 percent graduate and professional students.⁶ Although only SMU could provide data on the subject, over-representation of graduate students in student health insurance plans is likely the rule, not the exception, because dependents in Texas over the age of 25 are generally no longer eligible for coverage through their parents' insurance plan.

Enrollment Fluctuation across Semesters

TDI's survey of colleges asked them to provide student plan enrollment by semester over the course of two school years. Twenty-five colleges and systems were able to provide student enrollment data for fall 2002, spring 2003, summer 2003, fall 2003, spring 2004, and summer 2004. The enrollment trends over both years, displayed in Figure 5.3, show declining enrollment from the fall to the summer. The decrease in enrollment from the fall to the spring semester is less severe than the decrease between the spring and summer semesters. During the 2002-2003 academic year, student enrollment dropped four percent from the fall to the spring, and 15 percent from the spring to the summer. With the beginning of the fall 2003 semester, enrollment increased 22 percent, but then declined again during the school year. During the 2003-2004 academic year, student enrollment dropped four percent from the fall to the spring, and 12 percent from the spring to the summer.⁷

Figure 5.2
Student Health Plan Enrollment Fluctuation
by Semester at 25 Colleges and Systems



Source: Data from college responses to the Texas Department of Insurance, 2004 College and University Student Health Insurance Survey, August-November 2004; and Texas Higher Education Coordinating Board, “Certified 2003 Enrollment and Preliminary Fall 2004 Enrollment in Texas Institutions of Higher Education” (Excel spreadsheet).

The steep enrollment declines during the summer semester are likely a reflection of how plan eligibility is defined and over-all declines in student enrollment. With few exceptions, student health insurance plans offered through Texas colleges require a student to be enrolled in summer classes to purchase insurance for just the summer term. The fact that fewer students choose to take classes over the summer leaves many students ineligible for plan coverage over the summer. This is not the case for students who chose and were able to afford to purchase coverage for the entire year or for the spring and summer semesters together. These students will be able to remain covered by school-sponsored insurance even if they do not register for summer classes.

Differences between Colleges with High and Low Enrollment in Plans

Student enrollment rates in school-sponsored health insurance plans at the 47 colleges and systems that could provide enrollment data for fall 2003 to TDI ranged from 0.24 percent to 77 percent, with a median of 6 percent.⁸ In an effort to determine which

factors may influence enrollment rates, the following section examines the differences between colleges with high and low enrollment in their plan. This analysis divides colleges according to the uptake rate of their plan. In some cases, within the University of Texas System and the Texas A&M University System, for example, the same plan is offered at several colleges, and each college has a different enrollment rate. For the most part, however, this analysis looks at different enrollment rates among different plans.

For the purposes of this analysis, high-enrollment plans are defined as those offered at the 24 colleges or systems where enrollment rates in fall 2003 were at or above the median enrollment rate of 6 percent. Low-enrollment plans are those offered at the 23 colleges or systems where the percentage of the student body enrolled in fall 2003 was below the median of 6 percent. The median student enrollment rate in high-enrollment plans was 14 percent in fall 2003 compared to just 3 percent in low-enrollment plans. Table 5.1 compares the types of colleges offering plans with high enrollment and those offering plans with low enrollment.

Table 5.1
Types of Colleges Offering Plans with High Enrollment
Compared to Plans with Low Enrollment

	Plans with High Enrollment	Plans with Low Enrollment
Offered through public colleges and universities	34%	66%
Offered through private colleges and universities	100%	0%
Offered through health-related institutions or systems which include a health-related institution	77%	23%
Offered through junior colleges or systems with junior colleges	33%	67%

Source: Data from college responses to the Texas Department of Insurance, 2004 College and University Student Health Insurance Survey, August-November 2004; and Texas Higher Education Coordinating Board, “Certified 2003 Enrollment and Preliminary Fall 2004 Enrollment in Texas Institutions of Higher Education” (Excel spreadsheet).

Of the various plans offered through public colleges and universities, one-third had relatively high enrollment rates and two-thirds had relatively low enrollment rates. All 12 of the private colleges used in this analysis had plans with high enrollment rates. Seven of the nine health-related institutions had high-enrollment plans. Only three junior colleges or systems with junior colleges were able to provide enrollment data. Of those, one had a high-enrollment plan, and two had low-enrollment plans.

Insurance Coverage Requirements

One of the primary forces driving high enrollment in student health insurance plans is the requirement by some colleges that students maintain insurance coverage. One-third of

colleges with high-enrollment plans required all students to have insurance coverage as a condition of school enrollment. No college with a low-enrollment plan had a coverage requirement. The median enrollment rate in plans offered by colleges with coverage requirements was 29 percent, which is significantly higher than the median enrollment rate across all plans of 6 percent. Table 5.2 shows the percentage of colleges with high- and low-enrollment plans by the extent of insurance coverage requirements.

Table 5.2
High- and Low-Enrollment Plans by Extent of
Insurance Coverage Requirement

	Proportion of High-Enrollment Plans	Proportion of Low-Enrollment Plans
All students required to have insurance	33%	0%
No student required to have insurance	4%	4%
Only international students required to have insurance	29%	83%
International students required to have insurance in addition to certain other students	29%	9%
Certain students other than international students are required to have insurance	4%	4%

Source: Data from college responses to the Texas Department of Insurance, *2004 College and University Student Health Insurance Survey*, August-November 2004; and Texas Higher Education Coordinating Board, "Certified 2003 Enrollment and Preliminary Fall 2004 Enrollment in Texas Institutions of Higher Education" (Excel spreadsheet).

More than 80 percent of colleges with low-enrollment plans require only international students to have insurance coverage, compared to 29 percent of high-enrollment plans. Almost 30 percent of colleges with high-enrollment plans require international students to have insurance coverage as well as other categories of students compared to just 9 percent of colleges with low-enrollment plans. Categories of students that may be required to carry insurance in addition to international students include those in a particular course of study, undergraduates, students living on-campus, and students enrolled in a minimum number of hours. Twenty percent of colleges with high-enrollment plans require students taking a certain, minimum number of hours to have coverage, but no colleges with low-enrollment plans have such a requirement.

Payment Method

Colleges that allow students to pay for their student health insurance plan as part of their tuition and fee bill have a median enrollment rate that is five times higher than colleges that require students to purchase insurance directly from the insurer. More than three-fourths of low-enrollment plans require direct payment to the insurer compared to about 30 percent of high-enrollment plans. Conversely, 58 percent of colleges with high-

enrollment plans include the cost of insurance with tuition and fees compared to just 4 percent of colleges with low-enrollment plans. Table 5.3 shows the percentage of colleges with high- and low-enrollment plans by the payment method for coverage.

Table 5.3
High- and Low-Enrollment Plans by Payment Method

Insurance Payment Options	Proportion of High-Enrollment Plans	Proportion of Low-Enrollment Plans
Included on students' tuition and fee bill	58%	4%
Paid directly to insurer	29%	78%
Students can choose either method	8%	0%

Plan Eligibility

Less-restricted plan eligibility does not seem to be closely related to increased plan enrollment. As shown in Table 5.4, 83 percent of colleges with low-enrollment plans allow all registered students to enroll in the plan compared to 70 percent of colleges with high-enrollment plans. Colleges that do not allow all registered students to enroll restrict eligibility to those students registered in a minimum number of credit hours. All colleges with low-enrollment plans extended plan eligibility to dependents of enrolled students, but eight percent of colleges with high-enrollment plans did not offer dependent coverage.

Table 5.4
High- and Low-Enrollment Plans by Eligibility

Eligibility Provisions	Proportion of High-Enrollment Plans	Proportion of Low-Enrollment Plans
All students are eligible for plan	70%	83%
Some students ineligible for plan	30%	17%
Dependents eligible for plan	92%	100%

Plan Promotion

Colleges promote their student health insurance plans in a variety of ways, and one method in particular seems to be related to much higher plan enrollment. Colleges that use a forced-answer system, where students must choose to either accept or reject the school-sponsored student health insurance plans during registration, have a median

enrollment rate nearly three times that of all colleges. Nearly 60 percent of colleges with high-enrollment plans use a forced-answer system, but no colleges with low-enrollment plans take advantage of this opportunity to make students and parents aware of school-sponsored health insurance. The median enrollment rate at colleges that make students accept or reject school-sponsored coverage during registration was 16 percent. Table 5.5 shows the differences in the extent to which high- and low-enrollment plans utilize various methods of plan promotion.

Table 5.5
High- and Low-Enrollment Plans by Method of Plan Promotion

Method Used by School to Promote Plan	Proportion of High-Enrollment Plans	Proportion of Low-Enrollment Plans	Median Enrollment of Schools with Response
Student must choose to accept or reject insurance during registration	58%	0%	16%
Put notice in registration materials or fee statements	75%	52%	7%
Distribute information at new student orientation	79%	57%	6%
Distribute materials on campus (in health center, student center, etc.)	96%	100%	6%
Send letter to students' parents and/or students	79%	83%	6%
Information distributed via college website	83%	96%	5%
Advertise in college newspaper	54%	78%	4%

Nearly all colleges distributed plan information on campus, posted information on the school's website, and sent letters to students or parents to make them aware of the student health insurance plan. A greater proportion of colleges with high-enrollment plans included information with registration materials or fee statements and distributed plan information during new student orientation. A greater proportion of colleges with low-enrollment plans advertised the plan in the college newspaper.

Conclusion

In general, enrollment rates in student health insurance plans offered by colleges and universities in Texas are relatively low, with a median of six percent of the student body enrolled. Students who enroll in school-sponsored student health insurance plans do not proportionately reflect the composition of the student body. Female students, graduate students, and international students appear to enroll in student health insurance at disproportionately higher rates. Dependents are not a significant proportion of the lives covered under these plans. Plan enrollment is not constant over time, and enrollment may decrease by 20 percent from the beginning to the end of the academic year.

More open or restricted plan eligibility did not seem to be closely related to plan enrollment, and the impact of cost on enrollment is difficult to determine due to insurance coverage requirements for some students. There are some clear differences, however, between colleges that have relatively high and relatively low enrollment in their plans. Health-related institutions and private colleges have higher enrollment rates than non-health-related institutions and public colleges. This is likely a reflection of their more extensive insurance coverage requirements for students. Colleges that only require international students to have coverage, which is common among public universities in Texas, have relatively low enrollment rates. Colleges that require all students to have coverage or require coverage for international students in addition to other types of students, which is more common among health-related institutions and private colleges in Texas, have much higher rates of enrollment.

The ability to pay for coverage as part of tuition and fees and the requirement that students must accept or reject coverage during registration are both linked to higher plan enrollment rates. These two factors, along with insurance coverage requirements, reflect the degree to which a college emphasizes and facilitates insurance coverage for students, and that initiative on behalf of the college seems to lead to much higher rates of enrollment in student health insurance plans.

Notes

¹ The Lamar University System, the Texas State Technical College System, the Texas Tech University System, the University of Houston System, and the University of North Texas were only able to provide plan enrollment data for the whole system as opposed to by campus. Together these five systems include 16 individual colleges including, seven junior colleges, seven public universities, and two public, health-related institutions.

² The 11 institutions in the Texas A&M System were unable to breakdown plan enrollment data by students and dependents. For the purpose of this analysis, the total plan enrollment in fall 2003 was compared to the total school enrollment in fall 2003. This may make the Texas A&M System colleges plan enrollment rates slightly higher than they should be, but the discrepancy is likely very small. In the 35 colleges and college systems that were able to breakdown plan enrollment by students and dependents, less than five percent of enrollees were dependents.

³ The University of Houston System was only able to provide plan enrollment data for fall 2002. For the purpose of this analysis, the total system plan enrollment in fall 2002 was compared to the total system enrollment in fall 2002. All other colleges and college systems use fall 2003 data.

⁴ Texas Higher Education Coordinating Board, "Certified 2003 Enrollment and Preliminary Fall 2004 Enrollment in Texas Institutions of Higher Education" (Excel spreadsheet).

⁵ Data from college responses to the Texas Department of Insurance, *2004 College and University Student Health Insurance Survey*, August-November 2004; and Texas Higher Education Coordinating Board, "Certified 2003 Enrollment and Preliminary Fall 2004 Enrollment in Texas Institutions of Higher Education" (Excel spreadsheet).

⁶ Data on SMU's fall 2003 student body enrollment from Southern Methodist University, *Facts About SMU*. Online. Available: <http://www.smu.edu/facts/facts.asp>. Accessed: March 18, 2005.

⁷ Data from college responses to the Texas Department of Insurance, *2004 College and University Student Health Insurance Survey*; and Texas Higher Education Coordinating Board, "Certified 2003 Enrollment."

⁸ Data from college responses to the Texas Department of Insurance, *2004 College and University Student Health Insurance Survey*; and Texas Higher Education Coordinating Board, "Certified 2003 Enrollment."

Chapter 6. Student Health Insurance Market in Texas

A thorough understanding of school-sponsored insurance in Texas would not be possible without first examining the student health insurance market from the perspective of insurers. This chapter explores data provided by insurance companies on recent experience in the market as well as trends over the last few years. It also presents information on lives covered and common benefits and exclusions.

Survey of Insurers

In October 2004, the Texas Department of Insurance (TDI) sent the *2004 Texas Blanket Student Health Insurance Survey* to ten carriers that write student health insurance in the state. Carriers writing such coverage were identified through responses from colleges to TDI's *2004 College and University Student Health Insurance Survey*. Insurers were asked to provide data for only those plans that were issued to Texas colleges or universities and provided major medical accident and health insurance coverage to students. Unless otherwise noted, all information presented in this chapter was collected by TDI's insurer survey.

Recent Market Experience and Concentration

Of the ten carriers surveyed, five have been in the Texas student health insurance market two years or less, and four have been in for ten years or more. Total student health insurance premiums written by the seven surveyed carriers in the Texas market in 2003 were \$22,200,000. The market was relatively concentrated in two companies. The largest carrier accounted for 59 percent of written premiums, and the second-largest carrier wrote 22 percent of total premiums. The remaining five carriers wrote the other 19 percent of the market.

Total claims paid in 2003 were \$19,500,000. Six of the seven carriers were able to break down claims expenses by prescription drug claims costs versus all other claims costs, and prescription drugs accounted for seven percent of total claims expenses. The median loss ratio among the seven carriers was 76 percent. Company loss ratios ranged from a low of 19 percent to a high of 136 percent in 2003.

Trends in Market Experience

Insurers were asked to provide premiums written and claims paid for standard coverage and for optional major medical coverage¹ in 2001, 2002, and 2003. The totals are displayed in Table 6.1. Of the ten carriers surveyed, only five wrote standard student health insurance, and two of those also wrote optional major medical coverage in each year from 2001 to 2003. For those five carriers, written premiums for standard coverage grew 63 percent and claims paid grew 69 percent from 2001 to 2003.

Table 6.1
Texas Student Health Insurance Market Experience, 2001-2003

Year	Standard Coverage			Optional Major Medical		
	Premiums Written	Claims Paid	Number of Companies	Premiums Written	Claims Paid	Number of Companies
2001	\$12,250,000	\$10,490,000	5	\$110,000	\$43,000	2
2002	\$17,020,000	\$14,660,000	5	\$200,000	\$0	2
2003	\$21,900,000	\$19,240,000	7	\$330,000	\$230,000	4

There were no consistent patterns to the loss ratios experienced by companies over the three-year period. For standard coverage, the lowest loss ratio for any of the carriers in any of the years was 19 percent and the highest was 149 percent. The median loss ratio across all companies and years was 78 percent for standard coverage. Loss ratios for optional major medical coverage were lower in general. No claims were paid under optional major medical coverage by both companies that wrote such coverage in 2002, and one of the two companies that wrote optional major medical coverage from 2001 to 2003 did not pay any claims under that coverage in any of those three years. The maximum loss ratio for optional major medical coverage across all companies and all years was 77 percent and the average was 25 percent.

When asked what direction they may take in the future, nine of ten carriers in the Texas market indicated they were considering expanding business. The other company indicated that it was not considering any changes. No company indicated that it was considering restricting business in this market or exiting from the market.

Premiums and Premium Trends

All ten of the surveyed carriers reported average annual premiums for policies marketed during the 2004-2005 academic year. As shown in Table 6.2, the aggregate average annual premium for student-only coverage was \$786. Average annual premiums for student and dependent coverages were: \$2,916 for a student and spouse policy; \$1,633 for a student and child policy; and \$3,807 for a student, spouse, and child policy. The average annual premium for optional major medical coverage across the five companies² that offered such coverage was \$198.

Table 6.2
Average Annual Premiums by Coverage in 2004-2005 Policies

Type of Coverage	Average Annual Premium	Number of Companies
Student Only	\$786	10
Student and Spouse	\$2,916	10
Student and Child	\$1,633	10
Student, Spouse, and Child	\$3,807	10
Optional Major Medical Benefit for Student	\$198	5

With a few exceptions, carriers reported rate increases during each of the three most recent academic years. Average annual rate increases by year are shown in Table 6.3. Between the last academic year and the current one, carriers increased rates by 15.6 percent on average. The largest rate increase by a company in any one year was 25 percent, and only one rate decrease was reported, 31 percent, which corresponded with a change in benefit plans.

Table 6.3
Average Annual Rate Increases by Year

Time Period	Average Annual Rate Increase	Number of Companies
2001-02 to 2002-03	8.2%	5
2002-03 to 2003-04	4.5%	6
2003-04 to 2004-05	15.6%	8

Lives Covered

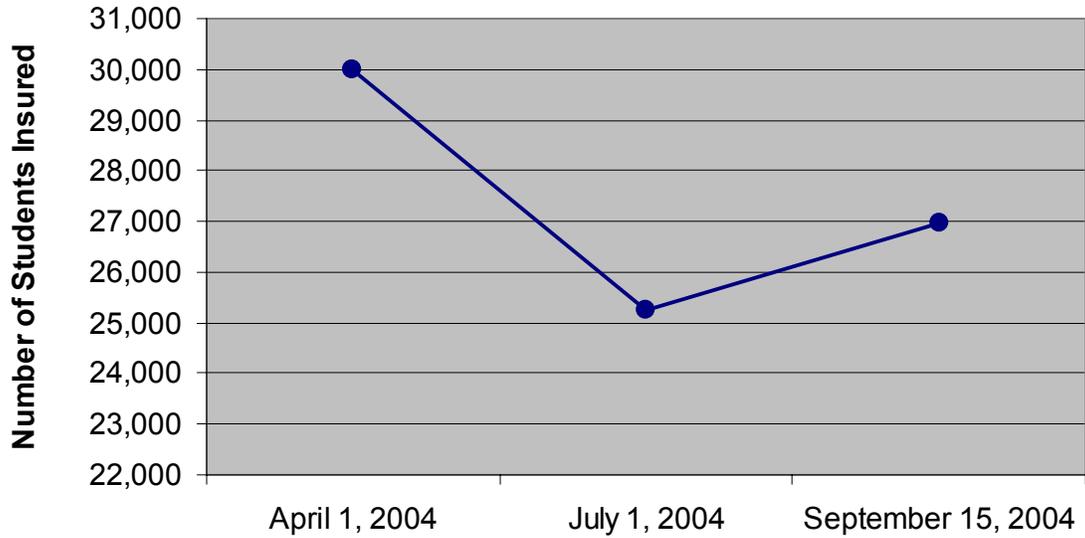
Insurers were asked to provide the number of lives covered at any time during calendar year 2003. During that year, seven companies contracted with 60 colleges and universities in Texas to cover over 56,000 lives through student health insurance plans. The total higher education student enrollment in fall 2003 was 1,138,610 students, so those seven companies covered five percent of the college student population in Texas. The largest carrier covered 64 percent of insured lives, and the second-largest carrier covered 17 percent. Additionally, insurers were asked to provide student lives covered on a specific date, September 15, 2004. The ten surveyed carriers reported covering 37,539 lives of students enrolled in 66 institutions of higher education³ in Texas on September 15, 2004.

In 2003, students accounted for 95 percent of total lives covered and dependents made up the remaining five percent. Total dependent enrollment was almost evenly divided between spouses and children. The highest percentage of dependent enrollees for any of the carriers was 11 percent, and the lowest was zero percent.

Five carriers were able to separate domestic student enrollees from international student enrollees. Four of the five covered more domestic students than international students in 2003. The median proportion of student enrollees by type was 84 percent domestic and 16 percent international. Five carriers provided data on student enrollees by gender, and all five companies covered more females than males. The median proportion of student enrollees by gender was 56 percent female and 44 percent male. It is likely that more females than males are enrolled in student health insurance plans because they represent a greater share of higher education students. In 2003, female students accounted for 57 percent of the student body at public institutions of higher education in Texas.⁴ Also, when considering the population in general, males aged 19 to 24 are more likely to lack insurance than females of the same age. When considering just full-time students aged 19 to 24, however, males are no more likely to lack insurance than females.⁵

The number of lives covered fluctuate over the course of the academic year. To gauge the extent of that fluctuation, TDI asked insurers to provide student lives covered on three specific dates: April 1, 2004, July 1, 2004, and September 15, 2004. Because those dates span two different academic years, not all carriers had contracts with reported colleges during each of the three dates. Using enrollment data for only the 38 colleges covered continuously by the same carrier during each period, Figure 6.1 shows enrollment trends across semesters. For these colleges, carriers report enrollment declined 16 percent between April 1, 2004, and July 1, 2004, and then increased 7 percent from July 1, 2004, to September 15, 2004.

Figure 6.1
Trend in Plan Enrollment of Students at 38 Texas Colleges



Benefits and Exclusions

TDI also asked carriers to indicate which of a series of benefits and exclusions are contained in their approved policy forms. Figure 6.2 shows insurer responses with respect to benefits. Figure 6.3 shows responses with respect to exclusions.

Figure 6.2
Benefits Included in Policy Forms by Company

	Company 1	Company 2	Company 3	Company 4	Company 5	Company 6	Company 7	Company 8	Company 9	Company 10
Outpatient Prescriptions	✓	✓	✓	✓	✓	✓	○	○	✓	✓
Inpatient mental health	✓	✓	✓	✓	✓	✓	■	○	✓	✓
Outpatient mental health	✓	✓	✓	✓	✓	✓	○	○	✓	✓
Oral contraceptives	✓	✓	■	✓	■	✓	○	✓	✓	✓
Non-oral contraceptives	✓	■	■	✓	■	■	○	✓	✓	✓
Elective abortion	■	✓	✓	■	■	✓	○	■	✓	✓
Sexually transmitted disease testing	✓	✓	✓	■	■	✓	○	■	✓	■
Maternity	✓	✓	■	✓	✓	✓	✓	✓	✓	✓
ER visits	✓	✓	✓	✓	✓	✓	○	✓	✓	✓
Substance abuse treatment	✓	✓	✓	✓	✓	✓	■	○	✓	✓
Eating disorder treatment	■	✓	✓	✓	■	■	■	○	■	✓

✓	Benefit in policy form
○	Benefit available to college by rider*
■	Benefit not included in policy form

* Benefit will be included in students' policies if the school selects to include it in the plan.

The benefits most commonly included in policy forms are emergency care and maternity. Outpatient prescriptions, inpatient and outpatient mental health care and substance abuse treatment are other commonly covered benefits. A benefit for eating disorder treatment is covered in the insurer's policy forms least frequently. Other benefits that are included in policy forms less often include non-oral contraceptives, elective abortion, and screening for sexually transmitted diseases.

The four exclusions listed in TDI's survey are relatively common among student health insurers in Texas. Exclusions for expenses related to attempted suicide or self-inflicted injuries, and exclusions for expenses related to services available free on campus are included in the policy forms of nine out of ten insurers. Policy forms from seven insurers exclude injuries sustained while under the influence of alcohol or drugs. Finally, five carriers have exclusions in their filed policy forms for injuries related to the use of motorcycles, three-wheelers, or all-terrain vehicles.

Figure 6.3
Exclusions Included in Policy Forms by Company

X	Exclusion in policy form
O	Colleges may elect exclusion*
■	Exclusion not included in policy form

	Company 1	Company 2	Company 3	Company 4	Company 5	Company 6	Company 7	Company 8	Company 9	Company 10
Injuries from motorcycles/ATVs	X	■	X	X	X	X	■	O	■	■
Attempted suicide or self-inflicted injuries	X	X	X	X	X	X	X	O	X	X
Services available free on campus	X	X	X	X	X	X	X	O	X	X
Injury involving drug or alcohol use	X	■	X	X	X	X	X	O	X	■

* Exclusion will be included in students' policies if the school selects to include it in the plan.

Eligibility

TDI's survey asked a number of questions related to eligibility restrictions. Four insurers indicated that their policies limit eligibility to students taking a minimum of six credit hours in the fall or spring semesters. Of the remaining companies, two indicated that their policies do not contain such limitations, and four allow colleges to decide whether or not to limit eligibility based on credit hours. As for eligibility over the summer, two insurers require students to be enrolled in summer classes to be eligible to buy summer coverage, four insurers allow students to buy summer coverage regardless of whether they are enrolled in summer classes, and four leave that decision up to the college.

Two insurers do not extend eligibility to students temporarily following their termination date, and one insurer allows colleges to decide if continuation will be allowed in the plan. The remaining seven carriers report having a continuation provision available to students that is mentioned in the plan's marketing brochures. In addition to informing enrollees of their right to continuation through the plan brochure, two carriers also inform enrollees via letter.

Integration with Campus Health Resources

Many student health insurance policies encourage utilization of health care services offered through colleges. TDI's survey of insurers found that eight of ten companies

waive the deductible for care received on campus and cover on-campus services at 100 percent. Two insurers waive pre-existing condition limitations for services received at the student health center and for prescriptions filled through the campus pharmacy. Six insurers require lower co-payments for prescriptions filled through campus pharmacies, and three insurers apply a greater prescription maximum benefit amount to prescriptions filled on campus as opposed to those filled at off-campus pharmacies. Policies from four insurers require enrollees to seek treatment first in the student health center in non-emergencies.

Conclusion

Though the Texas student health insurance market is relatively small, with just 56,000 lives covered in 2003, there appears to be room to expand this market to cover many more uninsured college students. On the supply side, all but one of the ten surveyed insurers indicated a desire to expand their business in Texas. On the demand side, at least 37 colleges in Texas do not currently offer a plan, and hundreds of thousands of college students across the state lack health insurance coverage. An expansion of the student health insurance market is certainly not the only way to provide coverage to uninsured students, but from the initial review of the market provided in this chapter, it appears at least to be a viable option.

Notes

¹ Also referred to as optional catastrophic coverage. This optional coverage is not offered in all plan or by all carriers. It generally increases the maximum benefit amount two to four times.

² Reported data from a sixth carrier was excluded because it was inconsistent with other reported data.

³ Reported plan enrollment from seven institutions was removed from this calculation because those colleges/organizations are not listed by the Texas Higher Education Coordinating Board as institutions of higher education in the state. Colleges/organizations are Dallas Theological University, Rio Grande Bible Institute, Teach for America, Texas Baptist College, Texas International Education Consortium, Texas Military Institute, and the United Students Association.

⁴ Data from Texas Higher Education Coordinating Board, *Statistical Report FY 2004 - Student Enrollment* (2004). Online. Available: <http://www.theccb.state.tx.us/cfbin/ArchFetch.cfm?DocID=0777&Format=HTML>. Accessed: March 20, 2005.

⁵ S. Todd Callahan and William O. Cooper, "Gender and Uninsurance Among Young Adults in the United States," *Pediatrics*, vol. 113, no. 2 (February 2004), pp. 291-297.

Chapter 7. Issues and Policy Options

Students attending Texas colleges and universities tend to have high uninsured rates. Surveys administered at colleges around the state show uninsured rates ranging from 21 to 78 percent for students at different colleges. The high uninsured rates among college students pose challenges not only for the uninsured students, but also for the college and the greater community.

Reducing uninsured rates on Texas college campuses might have significant benefits. Students that were previously uninsured would benefit from an increase in access to health care and a decreased risk of financial hardships following catastrophic injuries or illnesses. Colleges would benefit from having a healthier student body and potentially fewer withdrawals due to financial hardships created by medical bills. The communities in which colleges are located would benefit from having fewer uninsured students that may seek uncompensated health care from hospital emergency rooms and other providers.

Colleges clearly have a role to play when considering how to insure more students. The State of Texas may also want to consider several options that could attempt to combat the high uninsured rates of college students in a more targeted manner through public policy changes. Not only could such efforts produce the benefits listed above, but expanding coverage among the college student population could likely be accomplished with relative ease compared to other demographic groups that have high uninsured rates. Because college students are generally young and healthy, they could be covered at a relatively low cost. Additionally, college students commonly have access to school-sponsored student health insurance, which provides a unique opportunity for expanding coverage.

This final chapter attempts to answer the following two questions: (1) is expanding the student health insurance market an appropriate way to provide health insurance coverage for more college students, and (2) how can students be encouraged to obtain coverage through this market?

Issues Related to Student Health Insurance Plans in Texas

Affordability

Most uninsured students in Texas say they lack coverage in general because it is unaffordable, and they did not purchase the student health insurance plan offered through their college because of its cost. Surveys discussed in Chapters 2, 4 and 6 found that the average cost for annual, student-only coverage in student health insurance plans in Texas ranges from \$718 to \$786. One-half of all students say they can afford to pay \$50 per month, which is about \$10 to \$15 a month less than what is needed to buy the average

priced student health insurance plan in the state. Only eight percent, however, indicate that they could afford a plan that costs more than \$100 per month, which is what plans in compliance with the American College Health Associations standards are currently sold for.¹ Special attention should be paid to uninsured students' ability to buy coverage, and in general they have a lower threshold for what is affordable compared to all students. Only 37 percent of uninsured students in Texas say they can afford to pay \$50 per month for coverage, and just one percent can afford a plan that costs more than \$100 per month.

Compared to employer-sponsored health insurance, school-sponsored plans are much less expensive; however, the average out-of-pocket cost of premiums is higher with school-sponsored plans in Texas because employers generally pay the majority of workers' premiums.² Many students who cannot afford school-sponsored coverage will not have access to employer-sponsored coverage, but if they are healthy, most could look to the individual market for coverage. Private, individual plans that market to college students likely have as wide a range of costs as do school-sponsored plans. In general, healthy students could find some private individual plans that are more expensive than the plans offered through their college as well as others that are less expensive. For unhealthy students, the plans offered by schools are likely to be significantly cheaper than individual coverage.

The affordability of student health insurance plans may be affected by the federal prohibition against medical underwriting in this market. School-sponsored plans cannot use a student's health status to set premiums or reject applicants. Survey data presented in this report do not allow for an evaluation of the extent to which this provision impacts premiums. In general, though, insurers indicate that guaranteed issue provisions have the effect of increasing costs for healthy enrollees and decreasing costs for unhealthy enrollees.

Clearly, affordability of student health insurance is an issue that needs to be addressed when considering how to expand health insurance coverage on college campuses. This is especially true now because college is becoming more expensive in general. Policies aimed at making student health insurance more affordable are discussed in the second half of this chapter.

Adequacy

It is impossible to say generally that student health insurance plans do or do not adequately meet the needs of college students. In addition to specific plan provisions, measures of adequacy would have to take into account health care services that are available on campus at low or no cost and the individual needs of students. Research presented in the previous chapters discussed issues with student health insurance adequacy related to benefits, exclusions, and flexibility of plan design.

Benefits

The average student health insurance plan currently sold in Texas has a maximum benefit of \$50,000 per injury or illness, no out-of-pocket maximum, prescription drug coverage limited at \$300 to \$500 per year, and outpatient mental health benefits limited at \$500 to \$1,000 per year. For a student that requires one or two physician's visits a year for an illness or injury and a subsequent prescription, the average student health insurance plan is likely more than adequate. In fact, if that particular student attends a college with a health center on campus and a pharmacy, he or she may be able to access all of the health care services needed at a low cost with no insurance coverage. The major benefit of insurance coverage for such students may be the catastrophic coverage up to \$50,000, which would help ensure financial protection and access to services for more serious illnesses or injuries.

On the other hand, the average plan in Texas would not provide adequate coverage for some students. Not many students contacted TDI after taking the student survey discussed in Chapter 3, but a few who did expressed concerns related to the adequacy of the student health insurance plan available to them.³ A maximum benefit of \$50,000 could be exhausted quickly following a severe injury or illness. Prescription coverage limited to \$300 or \$500 a year may not be enough to cover costs incurred by students treating common conditions such as asthma or allergies. Additionally, common methods of prescription contraception can cost \$300 to \$500 annually,⁴ so female students who use prescription contraception and also need access to any other medication during the year will likely end up paying out-of-pocket.

Approximately 15 percent of college students have clinical depression, and campus mental health professionals have noted a sharp increase in major mental health crises.⁵ In addition to more generous prescription coverage, students with these conditions may need access to more outpatient or inpatient mental health care than is covered under the typical student health insurance plan in Texas. The prevalence of eating disorders, sexual assault, and stress-related disorders on college campuses⁶ may also cause many students to need mental health care services in excess of average plan limitations.

Issues related to the adequacy of benefits in student health insurance reflect a larger, contemporary debate about health insurance coverage in general. Some feel that a minimal amount of coverage is preferable to no coverage at all, while others think that plans should be designed to protect people who experience serious health-related catastrophes. The tradeoff is cost, which will determine to a large degree how many people opt for coverage. The Texas Legislature addressed this debate in 2003 by creating Consumer Choice Plans in hopes of extending coverage to more people.⁷ These health insurance plans have fewer coverage mandates and lower premiums, but generally require higher out-of-pocket costs for consumers.

Exclusions

Like other types of health care plans, student health insurance plans exclude certain treatments or conditions, some of which may prevent students from obtaining treatment. At least one plan excludes expenses related to treating sexually transmitted diseases, and many plans exclude treatment for substance abuse. Most plans exclude injuries related to intoxication or illegal use of drugs, though alcohol is involved in one-half of injuries on college campuses.⁸ Rates of unintended pregnancies are highest among women under age 25,⁹ and abortion rates are highest among women ages 20 to 24.¹⁰ Most student health insurance plans in Texas exclude elective abortion. The majority of plans in Texas also exclude injuries that result from perceived dangerous activities like bungee jumping, skydiving, and hang gliding, and a few policies exclude injuries from riding motorcycles, three-wheelers, and all terrain vehicles.

Flexibility

A few colleges in Texas offer students a choice between a more modest and a more comprehensive student health insurance policy. For the most part, however, students have little or no choice when it comes to school-sponsored coverage. They can only accept or reject the plan offered by their college. Students have many more choices in the individual market. In theory, students could obtain plans in the individual market to meet their needs by adjusting deductibles and benefits.

A level of choice and flexibility could be achieved in the student health insurance market as well, but dividing the pool of students at a school into multiple plans would come with tradeoffs. If a college offered two or three plans, the most modest plan option could be relatively inexpensive and thus accessible to many more students. Students who purchase this plan, however, may find that it is inadequate to meet their needs following a serious illness or injury. The most comprehensive plan option could provide a broad range of benefits at a higher price, but such an option may encourage adverse selection, which could lead to large premium increases over time.

Accessibility

In TDI's survey of carriers, insurers report covering over 56,000 lives in student health insurance plans in Texas in 2003. Student health insurance plans clearly provide a valuable access point to insurance coverage for many Texas college students. Issues related to accessibility that were identified through research presented in previous chapters include instances where these plans limit access for certain students, but plans also allow greater access to health insurance for other students, including those in poor health that may not be able to buy coverage in the individual market.

Plans Not Offered at All Colleges

Hundreds of thousands of college students in Texas do not have access to school-sponsored health insurance because their college does not offer it. Though most colleges do, 37 of the 100 colleges and universities that responded to TDI's survey in 2004 do not offer a student health insurance plan. Preliminary fall 2004 student enrollment at those colleges was over 352,000 students.¹¹ Private colleges and junior colleges were less likely to offer plans than public universities and health-related institutions. Less than 60 percent of private colleges and only 28 percent of junior colleges in TDI's sample offered a student health insurance plan.

None of the surveyed colleges that do not offer a plan reported difficulty finding a carrier that would write student health insurance for their college. It is not a market failure that keeps some colleges from offering insurance to students; in fact, nine of ten surveyed insurers say they want to expand their student health insurance business in Texas. Rather, many colleges do not offer insurance based on the assumptions that most students either already have coverage or will not be able to afford coverage.

Many Part-Time Students Ineligible

Most school-sponsored plans in Texas do not allow all registered students to enroll, but instead limit eligibility to students taking a certain number of credit hours. The most common restriction limits eligibility to those students taking six or more hours. Though this restriction clearly limits insurance access for many students, especially those at commuter colleges and junior colleges where part-time students are more common, national trends show an increase in this type of eligibility restriction stemming from the Health Insurance Portability and Accountability Act of 1996, or HIPAA.¹²

Following the passage of HIPAA, some states regulate student health insurance in a manner that prevents such plans from excluding an existing pregnancy under a pre-existing condition clause. To minimize the potential adverse selection caused by students enrolling in coverage because of a new pregnancy or pregnant women enrolling in one college course in order to gain access to insurance coverage, many insurers and colleges have been implementing or increasing minimum credit hour thresholds for eligibility.¹³ Texas law, however, does not prevent a student health insurance plan from excluding a pre-existing pregnancy.¹⁴ Plans in Texas may have other reasons to limit the eligibility of part-time students, but these limitations may still serve to decrease adverse selection by people with conditions other than pregnancy who may enter or remain in college primarily for access to health insurance.

Intermittent Access to Coverage

Each time a student enrolls for a new period of coverage he or she must meet the eligibility requirements. Students that are able to purchase annual coverage in the fall

semester will only have to attend fall classes to have coverage for the full year. Students that purchase coverage by the semester or month, however, must be registered in the required number of hours each time they enroll to remain eligible. Such enrollment structures leave many students at risk of unstable coverage if they take a semester off or enroll in fewer hours.

Summer semesters likely present the greatest barrier to access for many students. Students that do not attend classes over the summer so they can return home or take an internship, for example, will not be eligible to purchase coverage for the summer term through 90 percent of school-sponsored plans in the state. This is the likely explanation for the 12 to 15 percent reduction in plan enrollment from the spring semester to the summer semester and the 20 percent increase from the summer semester to the fall semester seen from 2002 to 2004 in Texas. Students that lose coverage over the summer risk restarting any pre-existing condition waiting periods. In addition, students not registered in summer classes, and therefore not paying summer fees, generally lose access to care during the summer at the student health center. Compounded with the loss of insurance coverage, this makes accessing needed health care during the summer months particularly challenging for students not taking summer classes.

Some plans currently structure their enrollment periods in a way that lessens the likelihood of losing coverage over the summer. Three-fourths of plans in the state offer students the option to buy coverage on an annual basis. Though one up-front payment may be difficult to afford, annual coverage provides the best protection against intermittent coverage. Nearly 60 percent of plans offered through colleges in Texas offer the option of purchasing spring and summer coverage together during the spring semester. This structure allows May graduates and other students who will not be attending summer school to continue coverage through August. One-third of plans sold in the state do not offer insurance coverage for the spring only. Students at colleges with these plans must buy spring and summer coverage together in January. Though this structure provides less flexibility or control for students, it prevents students from losing coverage over the summer months whether or not they take summer classes. Without these enrollment period options, the 12 to 15 percent enrollment decrease over the summer could be much larger.

Increased Access for Many Students

Despite the many limits to access discussed above, student health insurance plans increase access to coverage for many students, especially those who cannot obtain coverage in the individual market or the group market. The prohibition against medical underwriting in these plans allows students with medical conditions and disabilities access to coverage they may not be able to obtain in the individual market. School-sponsored coverage also provides a valuable alternative to employer-sponsored coverage, the prevalence of which has been decreasing somewhat in recent years.¹⁵ Access to coverage through student health insurance plans may be especially useful to students over

the age of 24 and married students, who are frequently ineligible for coverage under a parent's insurance plan. Additionally, there are some instances when a student has access to employer-sponsored health insurance through a parent, but coverage through a school-sponsored plan may be more appropriate. This could happen if a student attends a college far from his or her parents where no in-network providers are available. Students in this situation that need medical care may face large deductibles and coinsurance, or they may have to pay 100 percent out-of-pocket for non-emergency expenses.¹⁶

Policy Options to Increase Coverage through School-Sponsored Plans

Student health insurance plans offered through Texas colleges offer a valuable point of access to health insurance coverage for many college students, yet nearly 30 percent of college students in Texas are uninsured. A range of options exists at the college level and the state level to increase the rates of insurance coverage on Texas college campuses through student health insurance plans. The following section discusses in general terms public policy options for expanding coverage through school-sponsored plans, including targeting plan promotion, increasing accessibility and affordability of coverage, increasing the size of risk pools, adjusting coverage levels, increasing communication between colleges, and mandating coverage as a condition of enrollment.

More Effective Plan Promotion

Of all students surveyed by TDI in 2005, 38 percent were not sure that their college offered coverage to students, and uninsured students were less likely to know about school-sponsored coverage than insured students. At public colleges, more students reported being unaware of their school's plan than knowing about it. The most popular means of promoting student health insurance plans on Texas campuses are distributing materials on campus and posting information on the college's website, but neither method is sure to reach all students. All colleges, but especially public colleges, can take steps to promote their student health insurance plans more effectively to students and parents, which may increase enrollment rates.

TDI's survey of colleges revealed that the most effective means of promotion is a forced-answer system in which students must either accept or reject insurance during registration. Colleges using this system in Texas had median enrollment rates that were three times higher than the median rate across all colleges. According to Stephen L. Beckley, enrollment rates in plans that are fully voluntary are around 3 percent, but plans in forced answer systems generally have enrollment rates of around 15 percent.¹⁷ If nothing else, making students accept or reject insurance before registration can be completed will make students aware of the school-sponsored plan each semester.

Increase Accessibility of Coverage

More than 350,000 higher education students in Texas do not have access to student health insurance through their college. Making school-sponsored coverage an option for these students may help cover some uninsured students. Public policies that encourage or require institutions of higher education to offer a student health insurance plan would likely have a positive effect on increasing enrollment and reducing the number of uninsured students.

At colleges that currently offer a plan, eligibility restrictions keep many part-time students from accessing school-sponsored coverage. Action could be taken at either the state or college level to increase accessibility for part-time students. TDI's survey of student health insurance companies found that four of the ten companies surveyed put minimum hour requirements in their plans, two do not, and the remaining four companies allow colleges to choose if the plan will have minimum hour requirements. Some colleges are given the opportunity to simply elect not to include such limitations, and other colleges may be able negotiate with carriers in order to eliminate or minimize these limitations.

Less-restrictive eligibility may lead to more adverse selection, but measures can be taken to prevent that to some degree. Plan rules that require students to attend classes for the first 31 days to maintain eligibility already discourage people from registering for classes to access insurance and then withdrawing from school, because colleges generally do not fully refund tuition and fees to students that withdraw one month into the semester. To discourage students from taking one class a semester solely to access coverage, colleges could limit the number of semesters a student is eligible for coverage or limit coverage to only students working toward a degree. To the extent possible, semester limits should be set so that they do not prevent access to coverage for part-time students that are legitimately working toward a degree but will take a relatively long time to finish.

Eligibility restrictions that lead to sharp enrollment declines and loss of coverage for students over the summer should be reconsidered. Colleges could prohibit their carrier from offering a spring-only option, so that students who buy spring coverage will have to buy summer coverage with it. A few plans in the state are designed so that students are eligible over the summer if they were enrolled in the spring regardless of whether they are taking summer classes. All colleges should work with their carriers to discuss this provision in their plan, and consider steps to maximize student enrollment.

Finally, continuation of eligibility after graduation should be addressed. Under Texas law, students enrolled in school-sponsored health insurance have the right to a six-month continuation of coverage past their termination date.¹⁸ Schools should work with insurers to be certain that students are aware of this option either by sending a notice directly to insured students or including information in the insurer's benefit summaries and materials.

Increase Size of Pools

In theory, spreading risk across a greater pool of enrollees should make coverage more affordable for students and less of a risk for insurers. Currently, large school systems have the benefit of relatively large pools, but many small colleges do not. Options to increase the number of potential enrollees include a statewide pool, regional pools, and purchasing cooperatives. Legislation could direct the formation of a statewide pool that all college students have access to, some in addition to the coverage offered directly through their college. The advantage of this option would be its potential size, but there are drawbacks. Carriers may object to a system where just one company receives the bid for coverage statewide. Colleges may also object to such a pool if it decreases enrollment in their plan. On the other hand, colleges that do not currently offer plans may welcome a statewide pool that provides access to coverage for students without creating an administrative burden for the school. Regional pools could provide an alternative to a statewide pool. Regional pools would be smaller than a statewide pool, but with several contracts available, carriers may object less to this structure.

The third option to increase pool size is allowing colleges to join together in purchasing cooperatives to contract with a carrier. Small businesses were given the ability to buy coverage in cooperatives during the 2003 Texas legislative session,¹⁹ and colleges in many states use consortium purchasing for student health insurance contracts.²⁰ This option may not interest large campuses or large systems, but it may help smaller schools provide more affordable coverage to students.

The challenge in all of these options is to let colleges design a plan that integrates with the services offered on campus. Encouraging utilization of campus resources can result in cost savings for plans and appropriate, accessible care for students. If statewide or regional pools and purchasing cooperatives do not allow colleges to sufficiently integrate health care services available on campus, it may be better to let colleges individually design plans for basic coverage while utilizing state or regional pools and cooperatives for catastrophic coverage.

Make Coverage More Affordable

Three-fourths of uninsured students surveyed by TDI say they are able to afford insurance that costs \$25 monthly. That amount would cover about 40 percent of the cost of the average-priced plan in Texas. Federal or state subsidies could make up the difference for low-income, uninsured students. Special subsidies to college students, however, may be hard to justify without similar assistance programs for other uninsured individuals.

The ability to obtain financial aid to cover the cost of insurance will also make it more affordable, though that alone will not reduce the cost of coverage. In Texas, the amounts and types of financial aid awarded to students are determined by individual colleges.

Every year, each college in the state estimates its cost of education, taking into account tuition and fees, books, supplies, room and board, transportation expenses, and personal expenses.²¹ During 2004-2005, average cost of education estimates for in-state students were approximately \$14,700 at public universities, \$10,500 at public community colleges, and \$21,700 at private colleges to attend college full-time for nine months.²² Colleges determine a student's financial need by subtracting an expected family contribution from the cost of education. Colleges attempt to meet a student's financial need by building a financial aid package of federal, state, and institutional grants, scholarships, loans, and other aid.²³ If a student is required to have insurance coverage, premiums can be included when the college determines its cost of education.²⁴ This could allow financial aid sources to be increased by the amount of coverage for students, and is already happening at 20 of the 100 colleges that responded to TDI's college survey in 2004.

Students that are not required to have insurance coverage may still be able to use federal loans to cover the costs of insurance. Though most aid cannot be awarded in excess of a student's calculated financial need, there are some exceptions.²⁵ The tradeoff in this situation would be increasing a student's long-term educational debt burden to allow for health insurance coverage while in college.

Additionally, at least some colleges have the ability to consider the costs of insurance when determining financial aid even for students that are not required to have coverage. This scenario is problematic for colleges, however, because after a student is given additional aid to cover insurance there may be no way to make sure that coverage is actually purchased. Prior to the passage of Senate Bill 505 in 2001, the University of Texas Health Science Center at Houston (UTHSCH) had a voluntary health insurance plan for students, but included the costs of coverage when determining its cost of education. UTHSCH increased student loans by \$42 per month to cover the cost of insurance, but many students failed to purchase the voluntary school-sponsored plan.²⁶ Further research in this area may be able to determine ways colleges can use financial aid to help students afford and obtain insurance, even if they are not required to have coverage.

Adjust Plan Coverage

Proponents of comprehensive coverage in student health insurance plans argue that coverage similar to employer-sponsored plans may increase demand for coverage in this market. This is supported by feedback following TDI's college student survey from a few students who did not purchase a school-sponsored plan because it offered inadequate protection, in their opinion.²⁷ In addition to increasing benefits found in these plans, removing exclusions that may be inappropriate for the college population could make these plans more attractive to students and parents. It is possible that student health insurance plans with more adequate coverage could attract some students that currently buy coverage in the individual market or stay on a parent's plan in order to get better

prescription or catastrophic coverage. Despite these possibilities, TDI's student survey clearly shows that the cost of these plans is the primary deterrent for students, and cost generally rises as benefits expand. Colleges that offer more than one plan may be able to use the lower cost of one and the higher benefits of the other to attract a broader range of students. The downsides to multiple plan options are division of the pool of insureds and an increased likelihood of adverse selection in the more comprehensive plan. Further research in this area could determine how multiple plan options affect enrollment rates and uninsured rates.

Increase Communication between Schools

Student health insurance plan administrators from different colleges may be able to help each other identify ways to reduce the number of uninsured students on campus as well as identify best practices in plan promotion, plan design, contract negotiation, etc., based on their own experiences. There is a demonstrated need for advice and experience related to student health insurance plans. The Student Health Services listserv of the American College Health Association had ten posts in March 2005 from campus health professionals soliciting or offering advice on student health insurance companies, plans, requirements, etc.²⁸

Student health insurance is administered differently by each college. The University of Texas System and the Texas A&M University System both contract for their student health insurance plan at the system level, and both take advantage of the expertise available in the system's human resources employee benefits section.²⁹ Other campus plan administrators may not have access to the resources and expertise available to the large college systems in the state. Staff members charged with selecting and administering student health insurance plans at colleges across the state include health center directors, risk managers, ombudsmen, doctors and nurses, most, if not all, of whom have primary job responsibilities other than those related to the student health insurance plan. Fostering communication between these various professionals about combating high uninsured rates on college campuses may yield valuable lessons about what has worked and what has not. The Texas Department of Insurance or the Texas Higher Education Coordinating Board could help facilitate communication through a conference, listservs, conference calls, etc.

Insurance Coverage Requirements

Finally, individual colleges, college systems, or the state have the ability to require students to carry insurance as a condition of enrollment, which, depending on the level of enforcement, could be a very effective means to reduce the number of uninsured college students. There are multiple precedents for such requirements at the state, system, and college level, and new requirements are under consideration at many campuses across the nation.³⁰ The primary drawback is that such a requirement would add an additional \$100 to \$2,000 to the annual cost of a college education for students that currently lack

coverage. That additional cost could make college unaffordable for many students, and would likely have an even greater impact on students at junior colleges. A coverage requirement would also add to the administrative responsibilities of colleges, especially if they choose to monitor and enforce the requirement.

Passing an insurance coverage mandate for college students at the state level would require a series of challenging decisions. Would it apply only to full-time students, and should the definition of full-time be determined in the statute or by individual colleges? Would a requirement apply only to students at four-year colleges or also to those at junior colleges? Would colleges be obligated to actively enforce the requirement? Who decides what kind of health insurance coverage is adequate to comply with the mandate? If the state mandates coverage for a particular population, does the state then have an obligation to define minimum standards for coverage appropriate for that population to limit the number of students who are underinsured? If the state required coverage for college students, would it be advisable to regulate student health insurance plans separately from other blanket health insurance products? None of these questions have easy answers, but a thorough deliberation of these issues may be required to significantly reduce the number of uninsured college students.

Conclusion

School-sponsored, student health insurance plans provide insurance coverage for tens of thousands of college students in Texas, and they could potentially provide access to coverage for hundreds of thousands of Texas college students that are currently uninsured. These plans have both benefits and limitations, which make it debatable whether expanding the student health insurance market would be a good way to provide coverage to more college students. Students can benefit from school-sponsored plans that are designed to integrate with health services offered on campus, and students in less than perfect health can greatly benefit from the prohibition of medical underwriting in these plans. From an enrollee's perspective, the limitations of these plans may include their cost, relatively low benefit levels, multiple exclusions, limited eligibility for part-time students, and limited accessibility over the summer. Many of the limitations, however, could be addressed as part of public policies aimed at insuring more college students. More students could be encouraged to take advantage of coverage through student health insurance plans by college-level and state-level policies that address more effective plan promotion, increasing accessibility and affordability of coverage, increasing the size of pools, adjusting coverages, increasing communication between colleges, and mandating coverage as a condition of enrollment. Crafting policies that expand coverage to uninsured students and achieve an appropriate balance of affordability, adequacy, and accessibility for student health insurance plans will be challenging, but provides a unique opportunity to address the insurance needs of Texas' college students.

Notes

¹ Stephen D. Bolm and Stephen L. Beckley, "6 Major Challenges Facing Student Health Programs," *The Chronicle of Higher Education*, vol. 21, issue 21 (January 28, 2005), p. B25.

² Data from college responses to the Texas Department of Insurance, *2004 College and University Student Health Insurance Survey*, August-November 2004; and Kaiser Family Foundation and the Health Research and Educational Trust, *Employer Health Benefits 2004 Annual Survey* (September 9, 2004), p. 2. Online. Available: <http://www.kff.org/insurance/7148/index.cfm>. Accessed: February 26, 2005.

³ Email from Southern Methodist University student (name withheld), "SMU Survey," February 18, 2005; email from University of Texas student (name withheld), "Re: UT students and health insurance, February 25, 2005; and Email from Baylor University student (name withheld), "email_connection," March 4, 2005.

⁴ Jill L. Schwartz and Henry L. Gabelnick, "Current Contraceptive Research," *Perspectives on Sexual and Reproductive Health*, vol. 34, no. 6. (November/December 2002), p. 310.

⁵ Mary Duenwald, "The Dorms May Be Great, but How's the Counseling?" *New York Times* (October 26, 2004), Section F, p. 1.

⁶ Ted W. Grace, "Health Problems of College Students," *Journal of American College Health*, vol. 46, issue 6 (May 1997), p. 243.

⁷ Texas Senate Bill 541, 78th Texas Legislature, regular session (2003).

⁸ Grace, "Health Problems of College Students." p. 243.

⁹ Stanley K. Henshaw, "Unintended Pregnancy in the United States," *Family Planning Perspectives*, vol. 30, no. 1 (January/February 1998), Table 1.

¹⁰ Rachel K. Jones, Jacqueline E. Darroch, and Stanley K. Henshaw, "Patterns in the Socioeconomic Characteristics of Women Obtaining Abortions in 2000-2001," *Perspectives on Sexual and Reproductive Health*, 2002, 34(5), pp. 226-235.

¹¹ Texas Higher Education Coordinating Board, "Certified 2003 Enrollment and Preliminary Fall 2004 Enrollment in Texas Institutions of Higher Education" (Excel spreadsheet).

¹² Telephone interview with Stephen L. Beckley, Higher Education Healthcare Management and Benefit Consultant, Stephen L. Beckley and Associates, Inc., March 3, 2005.

¹³ Ibid.

¹⁴ Pre-existing condition exclusions in student blanket health insurance coverage is subject to Article 3.51-6, Sec. 1(d)(2)(v), Texas Insurance Code.

¹⁵ Kaiser Family Foundation and the Health Research and Educational Trust, *Employer Health Benefits 2004 Annual Survey* (online).

¹⁶ Sana Siwolop, “In Loco Parentis Doesn’t Necessarily Pay the Doctor,” *New York Times*, Late Edition (August 10, 2003), sec. 3, p. 8.

¹⁷ Beckley interview.

¹⁸ Student blanket health insurance coverage is subject to Article 3.51-6, Texas Insurance Code.

¹⁹ Texas Senate Bill 10, 78th Texas Legislature, regular session (2003).

²⁰ Ed Ehlinger, Sue Jackson, and Gary Christenson, “Institutional Requirement for Health Insurance for Students in Post-Secondary Education,” slide 22. PowerPoint presentation to the Minnesota House of Representatives Health Care Cost Containment Subcommittee, March 1, 2005.

²¹ Texas Higher Education Coordinating Board, *Financial Aid for College Students in Texas Fiscal Year 2003* (July 2004), pp. 3-4. Online. Available: <http://www.theccb.state.tx.us/reports/pdf/0748.pdf>. Accessed: April 20, 2005.

²² Texas Higher Education Coordinating Board, “2004-2005 College Student Budgets, Single Student Without Dependents, Off Campus, 9 Months, Full Time” (March 30, 2005). Online. Available: <http://www.theccb.state.tx.us/reports/pdf/0448.pdf>. Accessed: April 19, 2005.

²³ Texas Higher Education Coordinating Board, *Financial Aid for College Students*,” pp. 3-4, 6.

²⁴ Beckley interview.

²⁵ Texas Higher Education Coordinating Board, *Financial Aid for College Students*” p. 3.

²⁶ Dr. Margaret C. McNeese, Associate Dean for Student Affairs, Medical School, University of Texas Health Science Center at Houston, Testimony on Senate Bill 505 to Texas House of Representatives, Higher Education Committee, 77th Texas Legislature, regular session (April 10, 2001), 0:01:20-0:36:09. Audio archive online. Available: <http://www.house.state.tx.us/committees/audio77/290.htm>. Accessed: April 19, 2005.

²⁷ Southern Methodist University student (name withheld) email; University of Texas student (name withheld) email; and Baylor University student (name withheld) email.

²⁸ The University of Tennessee and the American College Health Association, “Student Health Services List Serv Archives.” Online. Available: <http://listserv.utk.edu/archives/shs.html>. Accessed: April 10, 2005.

²⁹ Telephone interview with Ellen Gerescher, Employee Benefits Manager, Texas A&M University System, April 13, 2005; and telephone interview with Craig Eivens, Group Insurance Program Coordinator, University of Texas System, April 13, 2005.

³⁰ Associated Press, “More Colleges Making Health Insurance Mandatory,” Toledo, Ohio, February 14, 2005; and National Public Radio, “Day to Day” (March 8, 2005). Audio archive online. Available: <http://www.npr.org/templates/rundowns/rundown.php?prgId=17&prgDate=8-Mar-05>. Accessed: March 9, 2005.

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