INSIDE HIGHER ED
insidehighered.com

July 3

# Your Campus ID and Insurance Card, Please

In recently adopting a health insurance requirement for students, officials at the University of St. Thomas were cognizant of the context: rising health care costs and scarce resources. The Minnesota university offers its own sponsored health plan, but many undergraduates come to college already insured, mostly through their parents' employer-sponsored plans.

"In order to be able to offer the kinds of services that students these days need and want, you need to be good stewards of resources. For those families that have insurance already, for us not to use it, we weren't being good stewards of scarce resources," said Madonna McDermott, director of the Student Health Service and Wellness Center at St. Thomas, which now has contracts with four top insurance providers in the area. (About 80 percent of the university's undergraduates, McDermott said, are from Minnesota.)

Upon coming to the clinic, students' insurance carriers are billed for services, either for in-network care if students are insured through contracted carriers, or, if not, for out-of-network services. (However, staff try to work with out-of-state students, McDermott said, in "optimizing their own insurance coverage.")

"We're seeing it increasing," McDermott said of the model in which student health clinics — traditionally sheltered from many of the harsh realities of U.S. health care — bill the many insurance plans that students come to college already on. "And increasing pretty rapidly, I would say."

Only a minority of college health centers bill insurance providers — other than for those students insured through university-sponsored plans. Yet, many health center directors echoed McDermott's observation of increasing interest in the model. They all cite similar reasons: In short, this is a time when the skyrocketing cost of health care is one of few financial certainties.

"We said, OK, this is something we need to do because this is an untapped pool of resources," said Kent Smith Jr., vice president for student affairs at Ohio University. Ohio just signed a contract with Highland Campus Health Group, which handles insurance billing and collections exclusively for college health centers, a few weeks ago. With the revenue it hopes to tap into, the university is considering a renovation and addition to its health facility, and is expanding services this fall: Smith mentioned plans to add evening and weekend hours, to hire two additional psychologists, and to contract with a company that can provide a 24-7 mental health hot line.

Plus, because Ohio's health center is funded by a general student fee, revenue from insurance companies may free up funds for other areas, Smith said. He estimates that next year an extra $200,000 of general fee funds can go to other areas, and by year three, $500,000. "It's real money."

Billing insurance companies is arguably a matter of stewarding not only institutional resources, but student and familial ones, as well. Students "should be able to utilize that insurance when it's already bought and paid for," said

James A. Boyle, president of the College Parents of America, a Washington advocacy group.

But even many proponents of the model say it's not for everyone. Among the barriers are potentially significant start-up costs — and investments in extra staffing, at least when billing is done in-house. The number of insurance plans out there is staggering, particularly for colleges attracting students from a broad geographic range, but many pointed out that several major carriers, including United and Aetna, are national in scope, easing (though by no means making easy) the process of establishing in-network arrangements.

But beyond that, shifting to rely on third-party insurance billing represents a cultural change, many agree.

The change is in some ways almost intangible. College health centers started as bastions of seemingly free care, funded, yes, by student fees, but then offering needed services largely at no extra charge, as needed. Many college health centers still offer free office visits, but charge for supplementary services and tests, which at some larger centers can include pharmaceutical services and X-rays — which now, advocates of this approach say, can largely be paid by insurance rather than out of pocket. (Centers often do encourage students to file insurance claims themselves, but few report much success with that approach.)

Yet, only a minority of colleges — 30 percent — require that all full-time students have health insurance, according to a March report by the U.S. Government Accountability Office, and 20 percent of all traditional-aged college students are uninsured (these figures, however, vary pretty dramatically by sector). Experts report a movement toward health insurance requirements on college campuses — as St. Thomas, for instance, just instituted. Still, introducing co-pays and insurance cards to the college health mix can raise concerns about introducing real or perceived barriers to care on campus — especially when it comes to services that used to be funded by a general or health fee, and provided to students as needed at no extra charge.

"The hard part," said McDermott of St. Thomas, "is if you have a student who has sub-optimal insurance or they're out of network. There is a cost that they didn't have before. That part is hard. We try to work with them to minimize the cost."

"One of the largest fears that we have had was, 'Are students going to view this as creating a financial barrier to accessing health care?' It's really quite the opposite," said Glenn Egelman, director and physician-in-chief of Bowling Green State University's Student Health Service, which, after first contracting with Highland in December 2004, now is an in-network provider for about 85 percent of students who come for office visits.

"It's tradition," he said, relative to reasons for resistance to the model. "Traditionally the universities have not charged insurance. And there's something nice about that."

"I think that currently, it is a minority of universities that are billing health insurance for office visits. However I would pose that in 10 or 20 years, it will be a majority," Egelman said. "But it also depends on the type of institution. And the financial background of that institution. So the universities need to — and are, I think — beginning to take a look at how would an endeavor like this fit in with the student culture, how does it fit in with the university, the campus culture, and the financial aspects of the campus?"

"Student health services range everywhere from a single nurse to some who probably have over 100 staff," said Chad Henderson, president of the American College Health Association and director of the Dr. Pauline B. Wood Health Service at the University of Rhode Island, which has been doing third-party billing since 1996. "It would seem to me that for a place operated by a single nurse or single nurse practitioner, that third-party billing could become a complex issue in that they would have to keep auditable records with substantial documentation to withstand an insurance audit."

"The other problem is that coverage on the outside is decreasing. The person who may have been on a 90-10 plan this year is going to find out it's only an 80-20," Henderson said, of a common cost-sharing structure in insurance plans.

"And the premiums are going crazy."

— Elizabeth Redden