



# A MIDWEST STUDENT HEALTH COLLABORATIVE

Student Health Insurance for the Midwestern Higher Education Compact (MHEC)

## Why MHECare?

MHECare was created in response to growing health care costs across the nation and the need to find a sustainable solution for MHEC-member colleges and university students. With the immense number of students within the MHEC region (approximately 4 million), MHEC has the opportunity to take advantage of the economies of scale that help provide purchasing power for lower rates, more efficient administration, and richer health reform-compliant benefits for students.

## Introducing MHECare

Beginning Fall 2012, MHEC, in collaboration with the Student Health Benefits Advisory Committee (SHBAC) and under a grant from the Lumina Foundation, will launch MHECare. MHECare is a student health insurance plan designed to cover students throughout the MHEC-member states. It will include medical benefits only and not vision or dental insurance at this time.

In collaboration with the program administrator, Mercer, an independent consulting firm, MHEC and the SHBAC developed the plan design and selected UnitedHealthcare StudentResources (UHCSR), a national student health care carrier, to administer the program, which is underwritten by UnitedHealthcare Insurance Company. UHCSR has access to UnitedHealthcare's extensive national PPO network and maintains a robust website that administrators and students can access.



## Multiple Plan Options

Each school can choose either a High PPO or a Low PPO in the MHECare plan. Under MHECare, schools with 300 or more students enrolled in their current plan have additional options, including keeping their existing plan design with any changes that are required by the Patient Protection and Affordable Care Act (PPACA).

## A Note about Compliance

On March 16, 2012, the Department of Health and Human Services issued final regulations on student health insurance plans. MHECare complies with all federal and state laws including PPACA (Patient Protection and Affordable Care Act).



## Small and large student health plan options

MHECare recognizes that small and large plans are underwritten differently. To accommodate this fact, the options and rates for small versus large student health plans will be different.

### Large plans

Under MHECare, large plans are defined as having 300 or more students enrolled in the plan. Institutions that have large plans can select:

- Their existing plan design with any changes that are required by the Patient Protection and Affordable Care Act (PPACA)
- A customized plan
- MHECare's standard High PPO or Low PPO Plans

The premiums will be based on the individual school's claims experience.

### Small plans

Under MHECare, small plans are defined as having less than 300 students enrolled in the plan. These institutions will have the option of selecting either the MHEC High or Low PPO Plan for their students. The premiums will be community-rated and blended with UHCSR's book of business claim data — not based on the individual school's claims experience.



MHECare offers competitive rates for small plans whether they are voluntary only, mandatory with the option to waive, or a combination of both. In order to receive a quote, MHECare requires that the institution offer MHECare as the only plan to all eligible populations. If an institution offers a voluntary only or a mandatory only program, MHECare will quote voluntary only or mandatory only rates. If an institution offers a health insurance program for both voluntary and mandatory student populations, MHECare can provide a blended rate if needed.

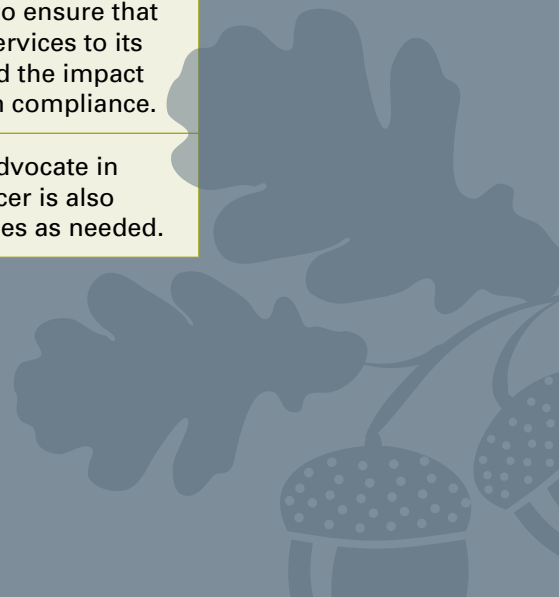
## What are the plan highlights?

- **The plan will be underwritten by UnitedHealthcare Insurance Company and administered by UnitedHealthcare StudentResources (UHCSR)** which is a division of the national health care carrier UnitedHealthcare. SHBAC selected UHCSR because it specializes in student health insurance plans, has access to a national network of health care providers, excellent web-based educational and support tools, and offers competitive rates.
- **Two standard plan options.** MHECare will offer two PPO plans — a High PPO and a Low PPO. As the names indicate, the High PPO Plan offers richer benefits while the Low PPO offers a comparatively lower level of benefits but at a lower cost.

## Why join MHECare?

<p>FINANCIAL ADVANTAGES</p>	<p><b>Improvement in target loss ratio:</b> The purchasing power of MHEC will reduce administrative costs and offer a competitive target loss ratio. This target loss ratio will range from 74% to 78%, depending on total enrollment in MHECare. The more institutions that participate, the higher the target loss ratio. This means that more premium dollars go toward paying students' claims.</p> <p><b>Contingency arrangement:</b> UHCSR will offer a contingency arrangement that will apply if the total claims experience of MHECare is favorable compared to the target loss ratio. The amount available under the arrangement will be 3% to 8% of premium, depending on the participation in MHECare. MHEC will receive these funds and can use them to reduce future premiums for the institutions that participate in MHECare.</p> <p><b>Stable rates:</b> As the group increases in size, rates will be more stable over time due to the spread of risk. This will smooth out the impact of large claims, which are unpredictable and can cause large fluctuations in rates for an individual member institution.</p>
<p>ADMINISTRATIVE ADVANTAGES</p>	<p><b>Due diligence:</b> MHEC has already completed its due diligence in selecting UHCSR as the carrier for MHECare. Therefore, it may not be necessary for a member institution to conduct a formal request for proposal. Contact MHEC for formal due diligence documentation. Not conducting a formal request for proposal will save institutions time and resources.</p> <p><b>Flexibility:</b> Large plans will have flexibility in plan design. This means a member institution can continue the current plans, select one of the standard MHECare High or Low PPO Plans or some combination. The standard plans have been vetted by the Student Health Benefits Advisory Committee and include general provisions and exclusions that are appropriate for a student population.</p> <p><b>Transition assistance:</b> UHCSR has a dedicated team of professionals to assist in setting up the MHECare program to meet the needs of each institution. They will develop project implementation plan that includes a thorough review of plan design features, enrollment, waivers and production of student communication materials.</p>
<p>MHEC OVERSIGHT</p>	<p>MHEC will provide general oversight of the program to ensure that UHCSR delivers accurate and timely administration services to its members. MHEC is apprised of health care reform and the impact on student plans. All MHECare plans offered will be in compliance.</p> <p>As the program manager, Mercer will serve as your advocate in the initial quote as well as for ongoing renewals. Mercer is also available to assist with claims and administrative issues as needed.</p>

MHECare will be a valuable benefit for Midwestern colleges and universities regardless of their student population. The chart at the left shows what MHEC schools can look forward to with MHECare.



## How to obtain a quote

If you'd like to get a quote, please contact Jennifer Dahlquist at MHEC and ask for a Request for Quote form. Complete this form, along with the MHEC Confidentiality Statement and email to [mhecare@uhcsr.com](mailto:mhecare@uhcsr.com) as indicated on the form. When UHCSR has all the required information, they will release the quote to MHEC and Mercer for final review before sending to the institution.

UHCSR has developed pricing for small plans for the current 2012/13 plan year. For large plans, UHCSR will provide a quote upon request.

At this time, participation in MHECare is limited to public and private institutions of higher learning in the MHEC member states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. If your campus is not in one of these states and you'd like to discuss your options to join MHECare, please contact Jennifer Dahlquist at MHEC.

## More information

Look for monthly updates in the MHEC newsletter. If you would like to have an in-person presentation, MHEC can arrange a meeting.

### Questions?

For more information about MHECare, contact Jennifer Dahlquist at [JenniferD@mhec.org](mailto:JenniferD@mhec.org) or 612-626-1602.



#### Midwestern Higher Education Compact

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