

The Regents of the University of California

COMMITTEE ON EDUCATIONAL POLICY

September 14, 2000

The Committee on Educational Policy met on the above date at UCSF–Laurel Heights, San Francisco.

Members present: Regents Atkinson, Connerly, Davies, Fong, S. Johnson, and Montoya; Advisory members Morrison and Seymour

In attendance: Regents Hopkinson, Kohn, Lee, Miura, and Preuss, Regent-designate Davis, Faculty Representatives Cowan and Viswanathan, Secretary Trivette, General Counsel Holst, Provost King, Senior Vice Presidents Darling and Mullinix, Vice Presidents Drake, Gomes, Gurtner, and Hershman, Chancellors Berdahl, Greenwood, Vanderhoef, and Yang, and Recording Secretary Bryan

The meeting convened at 3:35 p.m. with Committee Chair Montoya presiding.

1. **APPROVAL OF THE MINUTES OF THE MEETINGS OF MAY 18 AND JULY 20, 2000**

Upon motion duly made and seconded, the Committee approved the minutes of the meetings of May 18 and July 20, 2000.

2. **ESTABLISHMENT OF MANDATORY HEALTH INSURANCE AS A NON-ACADEMIC CONDITION OF ENROLLMENT FOR ALL UNDERGRADUATES**

The President recommended that he be authorized to require proof of health insurance coverage as a non-academic condition of enrollment for all University undergraduate students, effective with the fall term 2001.

It was recalled that, in response to growing concern about the increasing numbers of students without health insurance, the UC Advisory Committee on Student Health, a group including the directors of the University's nine campus student health services, recommended that evidence of health insurance be required as a non-academic condition of enrollment for all UC undergraduate students. Following this recommendation, former Vice President–Health Affairs Hopper appointed the Student Health Insurance Advisory Committee, with broad-based campus and Office of the President membership, to consider the recommendation and report back to him. The committee concluded its work and recommended that as a non-academic condition of enrollment, all students should have and maintain adequate health insurance coverage and that such coverage should be obtainable through campus-sponsored insurance plans to be negotiated with health care insurers, subject to an established systemwide minimum

standard of coverage. This requirement could be waived if proof of health insurance coverage acceptable to the campus were provided by the student.

The committee's recommendation was accepted by Vice President Hopper and forwarded for consideration to the Council of Chancellors, Vice Chancellors for Student Affairs and Undergraduate Affairs, the University of California Student Association, the Assistant Vice Chancellors for Student Life, and the campus registrars, financial aid offices, and budget offices. All groups endorsed the recommendation. The Academic Council also was consulted and decided not to comment on the recommendation because it was not an academic condition of enrollment.

The University is committed to ensuring that students are provided with an optimal environment for completing their degree within four years. The campuses estimate that approximately 40 percent of current UC undergraduates are uninsured or under-insured. Students without health coverage are at high risk for interruption of their studies if faced with an illness or injury. Systemwide, an estimated 25 percent of academic withdrawals are for medical reasons. A significant portion of these students have inadequate coverage or no insurance at all.

Students without health insurance risk developing more serious problems by delaying medical care. They also may face significant difficulties obtaining off-campus services and in meeting unplanned financial obligations when care is needed. Campus health providers spend considerable time arranging follow-up care for students who need outside medical care. Coordination of care also is difficult for patients who do not have insurance but require access to community providers. Students in this situation frequently need emergency loans to cover unexpected medical costs, which places further demands on financial aid and other campus resources.

The campuses are expected to derive additional benefits from student populations that are insured to a minimum systemwide standard. When students carry a standard set of health benefits and services, the student health centers are able to design on-campus services more effectively. Labor-intensive campus resources that are now devoted to assisting uninsured students can be redirected to programmatic efforts benefitting the broader student population. Additionally, student health services likely will gain leverage with health insurers to negotiate improved benefits at lower rates because of the larger number of students. This is expected to reduce insurance premiums 10 to 30 percent for students who choose to purchase the University's voluntary insurance plans.

The University has taken the following action concerning student health insurance:

- C In February 1963, The Regents approved mandatory health insurance as a condition of registration for all international students.
- C As an outcome of student referenda approved by The Regents over the period 1987-1990, mandatory major medical insurance for all graduate students is required at all nine campuses.
- C As an outcome of student referenda approved by The Regents in 1990 and 1998, mandatory undergraduate health insurance is required at the Berkeley and Santa Cruz campuses.
- C At the remaining campuses, health insurance is available to undergraduates on an optional basis with the exception of UCSF, where all students are covered by the graduate mandatory insurance requirement.
- C Since the implementation of the mandatory insurance requirements, the costs of campus mandatory health insurance plans have been a recognized expense eligible for financial aid. In 1998-99 a health care allowance was added to the expenses recognized under the University's undergraduate education financing model, thereby making these costs eligible for undergraduate financial aid coverage at all campuses. The health care allowance equals the health insurance premium at the two campuses that have a mandatory undergraduate health insurance requirement. At the remainder of the campuses, the amount is equal to the projected weighted average of the UCB and UCSC premiums (\$415 annually for 2000-01). It is anticipated that the health care allowance at each campus will be set at the premium amount for the campuses' undergraduate health insurance plan.

At the July 2000 Regents meeting, a written item and presentation on student health services provided background information regarding the need for undergraduate health insurance coverage and the action being requested today. Contingent upon Regental approval, it is anticipated that each campus will develop procedures to ensure that students have adequate health insurance consistent with the principles previously discussed and with the related recommendations of the UC Student Health Insurance Advisory Committee. Among these are the following:

- C The cost of health insurance should continue to be a recognized expense that is eligible for financial aid under the University undergraduate education financing model.
- C Students should be given the option not to participate in the campus-sponsored plan, using the same mechanism applied to graduate students, if they can

demonstrate comparable coverage. It is estimated that more than half of undergraduates will demonstrate such coverage.

- C Campus-based insurance plans should not replace the primary medical care, mental health, and referral services provided by the student health services.
- C Registration fees or other non-waivable fees should continue to be available to fund on-campus primary health services including clinical programs, health education, and peer counselor training that fall outside the scope of traditional medical plans.

The President will convene a systemwide group to finalize implementation details of the new requirement and establish minimum benefit levels. The President will also advise the chancellors regarding the steps necessary to implement this requirement on their campuses, effective with the fall term 2001.

Vice President Drake emphasized that the requirement is that every student have health insurance. By mandating this, the lowest price can be obtained for everyone. The provision will allow people to have health insurance who could not otherwise afford it. He noted that 25 percent of the withdrawals from the University are based on health-related issues.

Regent Fong believed that students generally support the proposal, but he was concerned that the student health services on the campuses are the gatekeepers of the new service. He hoped that each campus will be provided the freedom to negotiate the most cost-effective program for its students. Vice President Drake commented that any student who has proof of medical insurance can opt out of the offer and that students are free to find their own insurance; however, the University will make every effort to provide programs that offer the best possible value.

Regent Hopkinson asked about the rates of under-insured and uninsured Californians under age 25. Vice President Drake stated that 40 percent of UC undergraduates are inadequately insured or not insured. Regent Hopkinson believed that students will be unduly burdened by the requirement. Dr. Drake emphasized that uninsured students can find themselves heavily in debt if they become ill or are injured. He noted that the enterprise is not profit making. Students will have the advantage of a shared risk pool that mitigates financial devastation for the individual. Regent Hopkinson maintained that the cost of the program is a stumbling block that could prevent students from choosing to attend the University.

Regent-designate Davis noted that under most HMO plans, out-of-area coverage is provided only in emergencies. She believed that the requirement was biased toward local students. Mr. Steve Lustig, director of the student health service program at the Berkeley campus, explained that out-of-state students with portable policies would opt out of the University's program. A student could opt to purchase the University's coverage, which is portable throughout the country.

Chancellor Greenwood commented that the Santa Cruz campus, which voted for mandatory health coverage, has a large percentage of students who qualify for financial aid. She reported that students were deeply involved in developing the health care initiative and largely supported it. She believed that the low-cost plan did not prohibit students from attending the University.

Regent Kohn believed that the number of students who might be prevented from attending the University because of a mandatory health care cost may pale relative to the number of students who have to drop out of college because of chronic illness or a serious accident. Mr. Lustig observed that the Berkeley campus has found during the past ten years that its student health insurance program has proved to be a successful recruiting tool.

Regent Hopkinson asked about the cost of the plan. Mr. Lustig believed that the costs would likely average \$400 annually per student.

Regent Fong pointed out the distinction between providing health insurance for all students and charging all students for health insurance. He calculated that the program would result in an approximately 10 percent increase in fees. He wondered if the type of coverage offered would be worth the cost. Mr. Lustig was optimistic that it would. He noted that the proposal will establish a systemwide group to set basic benefits packages. In answer to questions by Regents-designate Seymour and Davis, he confirmed that the plan is year-round and will cover students when they are off campus.

Chairman Johnson observed that the cost of the program is one more in a list of additional costs the University is facing. It is an example of the kinds of demands the University must address in attempting to provide the best education under the best circumstances for all students.

Upon motion duly made and seconded, the Committee approved the President's recommendation and voted to present it to the Board.

3. **ANNUAL REPORT ON THE UNIVERSITY OF CALIFORNIA PRIVATE SUPPORT PROGRAM**

Senior Vice President Darling noted that the **Annual Report on University Private Support, 1999-2000** provides data on gifts, pledges, and private grants received by The Regents and the campus foundations.

[The **Annual Report on University Private Support, 1999-2000** was mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

The meeting adjourned at 3:55 p.m.

Attest:

Secretary