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Report No. 09-40

## University Students Pay \$68 Million for Health Services; Mandating Health Insurance Would Produce Benefits But Raise Uninsured Students' Cost of Attendance 5% to 7%

### *at a glance*

State university health centers range from clinics that treat minor illnesses to comprehensive medical facilities that provide a wide range of health services. The centers are supported by student health fees, which totaled \$55.7 million in 2008-09, and fees for services, which totaled \$12.9 million.

All state universities offer health insurance plans, and Florida State University has required all new students to carry health insurance since 2007. Adopting a similar statewide requirement would guarantee that students are covered in case of accident or illness, could reduce student withdrawals from college, and could improve universities' ability to negotiate insurance policies. However, it would increase uninsured students' cost to attend a state university by 5% to 7%, which could limit access to state universities if financial aid is not increased to cover the cost.

Unlike doctors' offices, most university health centers do not bill students' health insurance policies for visits. Currently, only three state universities have established systems to bill student insurance policies. While billing insurance may provide an additional source of revenue for health centers, it may not be cost-effective for centers that offer limited services or that have a high percentage of uninsured students.

### Scope

As directed by Ch. 2009-81, *Laws of Florida*, this report reviews the efficacy of mandatory student health insurance at state universities and addresses four questions.

- What services are provided by state university health centers and what fees do students pay for these services?
- What are the advantages and disadvantages of requiring all university students to carry health insurance?<sup>1</sup>
- What options exist for implementing mandatory student health insurance?
- What billing practices are used at state university student health centers and what options exist for billing for student health services?

### Background

The issue of uninsured college students has garnered national attention. Uninsured students have access to basic health care through the university health centers but must pay the full cost of any other health services they need as the result of accident or illness. A

<sup>1</sup> At the time of publication, the U.S. House of Representatives had passed H.R. 3962, Affordable Health Care for America Act, which would require all U.S. residents to purchase health insurance starting in 2013. The U.S. Senate was still working on its version of the health care bill.

serious illness can create a large financial consequence for the student. The U.S. Government Accountability Office reported that in 2006 20% of college students lacked health insurance.<sup>2</sup> Of Florida's 11 state universities, 5 universities estimate the number of uninsured students range between 15% and 25%, 3 estimate that up to 30% of their students are uninsured, 2 estimate that more than 40% of their students are uninsured, and 1 university requires all students to be insured. University student health centers serve all students, regardless of whether they are insured or uninsured.

All state universities operate student health centers. All 11 state universities operate student health centers that provide basic health care services to all students. Florida statutes require that these centers be auxiliary units that do not receive state appropriations.<sup>3</sup> In 2008-09, more than 88,000 students visited a university student health center at least one time, and student visits totaled nearly 312,000.<sup>4</sup>

Students have varying health insurance options and requirements. University students have four primary health insurance options: purchasing a plan sponsored by their university, purchasing an individual policy, being a dependent on their parents' health plan, or joining the Cover Florida group health insurance plan.<sup>5</sup>

Each state university sponsors a health insurance plan that eligible students can purchase, with premiums ranging from \$518 to \$1,687 per year and benefits ranging from limited coverage to coverage outside the

student health center of up to \$250,000.<sup>6</sup> Students also may purchase individual health insurance policies or have coverage through an employer; premium costs vary and can be relatively high, especially if a student has a pre-existing condition. The 2008 Legislature increased the age that students can remain on their parents' policies from 25 to 30 if they are state residents, full-time students, and unmarried. Costs to cover students as dependents on their parents' health insurance also vary. Finally, students may obtain health insurance through the Cover Florida Health Care Access Program, which the 2008 Legislature established for Florida residents ages 19-64 who are without insurance for at least six months.<sup>7</sup> Student premiums under Cover Florida range from \$284 to \$3,970 per year. Appendix A summarizes the insurance options available to students.

In accordance with federal regulations, all universities require international students to carry health insurance.<sup>8</sup> In addition, most universities also require athletes and students in the allied health professions (medical and nursing) to carry insurance during the clinical portion of their degree requirements.<sup>9</sup> International students' health insurance policies are required to provide coverage for prescription drugs, mental health services, maternity services for female students, major medical services up to at least \$200,000, and coverage for the entire academic year—including holidays.

Florida State University has mandated that all full-time new students have health insurance since fall 2007. Students must either purchase the university-sponsored insurance policy or carry other health insurance that meets the same criteria as international requirements,

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<sup>2</sup> *Most College Students Are Covered through Employer-Sponsored Plans, and some Colleges and States Are Taking Steps to Increase Coverage*, U.S. Government Accountability Office, Report No. [GAO-08-389](#), March 2008.

<sup>3</sup> Section 1011.47, *F.S.*

<sup>4</sup> Florida A&M University, New College, and the University of South Florida do not track the number of students who visit their health centers. The University of South Florida is in the process of implementing a new practice management system which will track the number of students who visit the student health center.

<sup>5</sup> In addition, some students may be covered by an employer sponsored plan or Medicaid or KidCare plans.

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<sup>6</sup> In general, students have to be enrolled in a certain number of credit hours to purchase the university policy.

<sup>7</sup> Section 408.9091, *F.S.*

<sup>8</sup> 22 *CFR* 62.14

<sup>9</sup> Florida Gulf Coast University and New College do not require students in health professions to carry insurance. Individual departments and colleges implement health insurance requirements for students in the health professions fields.

except that their policy must include providers in the Tallahassee area and at least \$100,000 in major medical coverage.

hour or per semester and through fees charged by the centers for specific services.

## Questions & Answers —

### What services are provided by state university health centers and what fees do students pay for these services?

State university health centers report that their primary role is to provide high quality primary medical care to students. In exchange for this care, students pay more than \$68 million through the health fees charged per credit

University health centers provide basic health care services on campus. Depending on the university, health centers range from small clinics that provide basic primary care to comprehensive medical facilities that provide a wide range of services including x-rays, lab tests, sports medicine, mental health services, and health education. As shown in Exhibit 1, almost all centers provide primary care office visits free of charge.

**Exhibit 1**  
**In 2008-09 Services Provided by University Health Centers Varied, as Did Fees for Services**

State University	Primary Care Office Visits <sup>1</sup>	Women's Health Office Visits <sup>2</sup>	Immunizations/Vaccinations <sup>3</sup>	Radiology <sup>4</sup>	Pharmacy	Sports Medicine	Lab Work <sup>5</sup>
Florida A&M University	\$0	\$30	\$0 - \$2.50	---	\$4 - \$220	\$0	\$5 - \$207
Florida Atlantic University	\$5	\$5	\$17 - \$136	\$80 - 282	Varies	---	\$3.50 - \$215
Florida Gulf Coast University	\$0	\$0	\$11 - \$125	---	---	---	Varies
Florida International University	\$0	\$0	\$16 - \$140	---	Varies	---	\$6 - \$515
Florida State University	\$0	\$0 - \$94	\$0 - \$221	\$0 - \$170	---	---	---
New College	\$0	Not Available <sup>6</sup>	Not Available <sup>6</sup>	---	---	---	---
University of Central Florida	\$0	\$0	\$0 - \$165	\$57 - \$210	Varies	\$0	\$8 - \$128
University of Florida	\$0	\$0 - \$784 <sup>7</sup>	\$0 - \$810	\$0 - \$186	Varies	\$0 - \$68 <sup>8</sup>	\$0 - \$757
University of North Florida	\$0	\$65 (includes some labs)	\$15 - \$100	\$30 - \$80	\$8 - \$35	---	\$4 - \$60
University of South Florida	\$0	\$50 - \$60	\$0 - \$140	---	Varies	---	\$0 - \$620
University of West Florida	\$0	\$65	\$15 - \$65	---	\$0 - \$135	---	\$0 - \$65
<b>Number of universities providing service</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>5</b>	<b>8</b>	<b>3</b>	<b>9</b>

<sup>1</sup> Primary care includes the treatment of illnesses, chronic conditions, and preventive care, such as physical exams.

<sup>2</sup> Annual women's exams are provided at no cost to students at Florida Gulf Coast University, the University of Florida, and the University of Central Florida.

<sup>3</sup> Flu shots are provided at no cost to students at Florida A&M University and Florida State University.

<sup>4</sup> Copies of x-ray images are provided at no cost to students at Florida State University and the University of Florida.

<sup>5</sup> Certain types of lab work are provided at no cost at some universities, including basic blood work at the University of Florida.

<sup>6</sup> New College uses a contracted physician from the community to provide these services. The physician then collects fees from students.

<sup>7</sup> The University of Florida's fees for women's office visits range up to \$784 for a colposcopy test. Students also pay fees for office visits if they are seen by a gynecological specialist.

<sup>8</sup> The fees shown for the University of Florida sports medicine include specific procedures. Office visits are free to students.

Source: OPPAGA analysis.

All universities also provide women’s health services, with most universities charging fees, which range from \$5 up to \$784 (fees are dependent on services provided). All centers also offer immunizations, charging fees up to \$810 depending on the type of vaccine provided.<sup>10</sup> The centers offer varying radiology, pharmacy, sports medicine, and lab work services.<sup>11</sup> The comprehensive health

centers are able to treat most students on campus rather than referring them to community providers. See Appendix B for the total fees for services collected.

Reflecting the variety of services provided, health center staff vary by university. Most centers are staffed with a combination of physicians, physician assistants, nurse practitioners, nurses, and support and administrative staff. For example, the University of Central Florida has a large health center with nine full-time physicians and offers a wide range of services. In contrast, Florida Gulf Coast University, the University of West Florida, and New College have fewer staff, as shown in Exhibit 2.

<sup>10</sup> The costs of providing students vaccines are dependent on the costs the vendor charges the health center. Universities vary in the types of vaccines they offer.

<sup>11</sup> Ranges for some services are broad, for example lab work fees range from \$0–\$757, because universities vary in the specific tests they can run and more sophisticated tests are more expensive. When comparing the cost for a specific test, like complete blood count (CBC) the range is much smaller, with one university charging \$4 and another charging \$33. Some universities also contract out for lab work and costs are reflective of vendor charges.

## Exhibit 2 University Health Centers Varied Widely in Staffing and Size in 2008-09

Institution	Physicians	Physician Assistants & Nurse Practitioners	Nurses (LPN & RN)	Other Medical Staff	Administrative & Support Staff	Total FTE	Square Footage
Florida A&M University	1.60	2.80	2.00	1.00	5.50	12.90	2,500
Florida Atlantic University	1.25	5.20	3.30	4.05	16.00	29.80	13,359 <sup>1</sup>
Florida Gulf Coast University	1.00	1.60	3.80	0.70	5.40	12.50	3,500
Florida International University	1.09	5.45	7.20	5.08	38.11	56.93	16,200 <sup>2</sup>
Florida State University	5.80	11.40	15.30	6.30	59.00	97.80	38,000 <sup>3</sup>
New College	0.00	0.40	0.00	0.10	1.40	1.90	3,936
University of Central Florida	9.00	10.00	13.50	12.00	79.00	123.50	48,000
University of Florida	8.40	12.50	18.80	38.60	76.60	154.90	44,565 <sup>4</sup>
University of North Florida	1.00	2.50	4.70	0.90	5.00	14.10	8,900
University of South Florida	5.00	5.70	13.00	9.70	37.60	71.00	15,795 <sup>5</sup>
University of West Florida	0.30	2.00	3.00	0.00	3.00	8.30	2,400
<b>Total</b>	<b>34.44</b>	<b>59.55</b>	<b>84.60</b>	<b>78.43</b>	<b>326.61</b>	<b>583.63</b>	

<sup>1</sup> Florida Atlantic University has a 9,359-square-foot health center on the main Boca Raton Campus, a 1,000-square-foot facility on the Jupiter Campus, and a 3,000-square-foot facility on the Davie Campus.

<sup>2</sup> The main campus facility is 13,000 square feet, and the Biscayne facility is 3,200 square feet.

<sup>3</sup> Florida State University is building a new wellness center which will include the student health center, College of Nursing, and campus recreation and will total 160,000 square feet.

<sup>4</sup> The square footage includes 34,565 square feet on campus space and 10,000 square feet in satellite offices.

<sup>5</sup> The square footage includes the health center and leased space for insurance and health promotions.

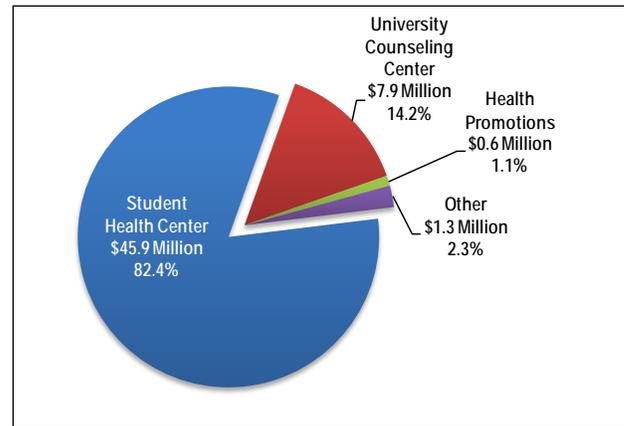
Source: Staffing and square footage reported by state university student health centers.

All university health centers provide student health care services using standards and guidelines issued by healthcare accreditation agencies and the American College Health Association. Three of the centers are accredited by the Accreditation Association for Ambulatory Health Care and three others are in the process of becoming accredited.<sup>12</sup> The other universities reported using the accreditation standards as guidelines for providing health services. See Appendix C for more information on the accreditation standards.

Students pay over \$68 million in health fees and charges for health services. The primary funding source for student health centers is a fee per credit hour or semester assessed to all students.<sup>13</sup> This type of funding model allows university health centers to provide quality primary care to all students and the flexibility to provide prevention and health education services to students. During the 2008-09 school year, these fees ranged from \$4.58 per credit hour at New College to \$9.89 per credit hour at the University of Florida, with Florida A&M University and Florida International University charging \$59 and \$67.20, respectively, per semester. As a result, full-time undergraduate students paid between \$118 (Florida A&M University) and \$296 (the University of Florida) in health fees during 2008-09.<sup>14</sup> Statewide, universities collected \$55.7 million in student health fees. Most of these fees supported student health centers, but a portion also funded counseling centers and health promotions such as nutrition and health education programs (see Exhibit 3). Students

also paid \$12.9 million in direct charges for services at the student health center. In addition, health centers received funding from payments by insurance companies. Appendix B provides the health fees charged and the amount of fees collected for services by university.

**Exhibit 3**  
**Most of the \$55.7 Million in Student Health Fees Are Used to Support University Health Centers**



Source: OPPAGA analysis.

**What are the advantages and disadvantages of requiring all university students to carry health insurance?**

Adopting a mandatory student health insurance requirement would guarantee that uninsured students are covered in case of accident or illness. Mandatory insurance could also improve universities’ ability to negotiate insurance policies, reduce the number of students who withdraw from college for medical reasons, and reduce the burden of uncompensated care on community health facilities. However, this policy would increase the cost to attend a state university by 5% to 7% (for those students without insurance), which could limit student access to state universities if financial aid is not increased to cover the cost. In addition, many universities were concerned that mandating insurance would create administrative costs, which would require increasing student health fees. Implementing such a policy would not change

<sup>12</sup> The Accreditation Association for Ambulatory Health Care has accredited the University of Florida, Florida State University and the University of Central Florida. The University of South Florida, Florida International University and Florida Gulf Coast University are in the process of becoming accredited.

<sup>13</sup> Section 1009.24, *F.S.*, authorizes state universities to establish a health fee and caps the amount of all fees that institutions can charge students. University health, activity and service, and athletic fees collectively may not exceed 40% of the tuition rate established in law or in the General Appropriations Act and cannot increase the total amount of fees by more than 5% each year.

<sup>14</sup> This calculation is an estimate based on a full-time undergraduate student taking 30 credit hours per year.

the services provided at the student health center or the fees many students pay for services.<sup>15</sup>

***Universities identified four primary reasons for establishing mandatory student health insurance policies***

University systems in several states have mandated student health insurance. These include California, Idaho, Minnesota, Montana, New Jersey, and North Carolina. One state, Massachusetts, has a state law that requires all college students to have health insurance.<sup>16</sup> In addition, individual universities and colleges in other states have adopted policies requiring students to carry health insurance.

Proponents of mandatory student insurance cite four primary reasons for this policy.

Mandatory insurance provides students with coverage in the case of accidents or illnesses. While students have access to basic health care services at university health centers, these centers provide varying levels of care and are not always open. As a result, the centers do not provide full care for students who are injured in accidents, require hospitalization or surgery, or need specialty care. Mandatory insurance would ensure that students could access these services and have lower out of pocket expenses.

Mandatory insurance can improve universities' ability to negotiate student insurance policies. Universities report that their ability to negotiate health insurance policies is hindered because the students who purchase the policies tend to have greater health problems than the students who do not purchase insurance. As a result, the policies cover a higher risk pool of students and premiums are correspondingly higher.

The University of North Carolina System and Florida State University, which have both recently implemented mandatory student insurance, report that they have been able to negotiate lower premiums because their policies now cover more students and a larger risk pool, including both the students with health problems and those healthy students who need insurance.<sup>17</sup> Florida State University reports that it reduced the cost of its policy from \$1,449 in 2006-07 to \$1,250 in 2009-10, and has also been able to increase the maximum policy benefit from \$30,000 per injury/sickness to \$250,000 per year. In contrast, other state universities reported significant increases in their premiums over this period (with the average rate increasing from \$1,087 to \$1,217), with most university policies providing lower maximum benefits than the Florida State University policy.<sup>18</sup> (See Appendix A.)

Mandatory insurance can reduce the number of students who withdraw for medical reasons. The University of California cited a high number of students who withdrew from college due to medical problems as a primary reason for implementing a mandatory health insurance requirement. Florida universities reported that approximately 3,100 students withdrew in the 2008-09 school year for medical reasons. However, the University of North Florida reviewed the files of students who withdrew for medical reasons and found no instances where lack of health insurance caused the withdrawal. Florida State University has reported that the number of students who have withdrawn for medical reasons has decreased slightly since it implemented a health insurance requirement.

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<sup>15</sup> Fees that students pay for services would decrease only if universities were able to bill the student health insurance policy for services.

<sup>16</sup> Massachusetts law requires all college students who are enrolled in at least 75% of the full-time curriculum to have health insurance.

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<sup>17</sup> The University of North Carolina System is in the process of implementing a mandatory health insurance requirement for all students. The requirement will go into effect fall 2010.

<sup>18</sup> The University of Central Florida and Florida Atlantic University both provide the same maximum benefit as the Florida State University comprehensive policy. The University of Central Florida charges a higher premium than Florida State University, while the Florida Atlantic University policy has higher deductibles.

Mandatory insurance can reduce the financial burden on communities for uncompensated student care. University systems in Montana and Idaho adopted a mandatory insurance policy in response to concerns from local communities that were funding students' unpaid medical bills. However, state universities in Florida have not identified this as a problem from their surrounding communities.

***Florida universities and students cite four concerns about mandatory student health insurance***

Concerns cited by state universities varied, reflecting their differing student populations, geographic locations, and health center operations.

Mandatory insurance would increase students' cost to attend college, which could limit access to state universities if financial aid is not increased to cover the cost. Based on the cost to purchase the university health insurance policy at Florida State University, mandating that all students purchase health insurance would increase the cost of attendance (used for financial aid purposes) at state universities between \$929 and \$1,250, or between 5% and 7% for full-time undergraduate students.<sup>19, 20</sup> This percentage increase would vary by university, whether students attend full-time, and whether they live on campus, off-campus, or with their parents. The cost could also vary depending on whether or not universities purchased insurance through a consortium and the level of benefits provided.<sup>21</sup> While the cost of

attendance calculation used for financial aid purposes would increase between 5% and 7%, only students without health insurance or acceptable insurance would be affected by this increase. Students with acceptable health insurance would not have to pay the increase. Universities expressed concern that this increase would disproportionately affect low-income families and would add to student indebtedness. Student government representatives at most state universities (except the University of Florida and Florida State University) cited concerns that mandatory health insurance could create a financial barrier to attend a state university. In addition, two universities expressed concern that students would opt to attend a state college, where there is no health insurance requirement. See Appendix D for cost of attendance by state university in 2009-10.

Mandatory insurance could create administrative costs for universities. Several universities reported that they would need to hire additional staff (typically one to two positions) to administer a mandatory health insurance policy, which would require diverting or increasing student health fees.<sup>22</sup> However, Florida State University reported that it did not hire additional staff to implement its student health insurance system, and used existing staff for these responsibilities.<sup>23</sup>

Mandatory insurance could increase the number of students visiting the university student health centers. Universities expressed concern that more students would visit health centers if they had health insurance coverage,

<sup>19</sup> The average cost of attendance and insurance calculation does not include the University of Florida or Florida State University, as they already include health insurance in the cost of attendance for undergraduates. We used the cost to purchase Florida State University's two plans as an estimate of how much the insurance requirement would cost if state universities chose to implement insurance policies similar to those at Florida State University.

<sup>20</sup> In 2009-10, the Legislature authorized all state universities to charge a tuition differential, which increased the cost of attendance by 1%.

<sup>21</sup> Both Montana and North Carolina have mandatory health insurance requirements for public universities and have one insurance plan for all students system wide through a

purchasing consortium. Montana charges students \$1,472 for insurance, and while North Carolina's policy is not finalized, university staff estimate that students will be charged between \$500 and \$600. However, the two policies differ in benefits provided.

<sup>22</sup> Universities may not increase the sum of health, activity and service, and athletic fees by more than 5% each year (s. 1009.24, F.S.). Universities have a committee which reviews fee increases for all three types of fees.

<sup>23</sup> Florida State University shifted staff from the medical records unit to support the insurance requirement and billing process. Staff was no longer needed to support medical records as the university transitioned to electronic medical records.

which could require the universities to hire additional medical and administrative staff. Currently, university health centers are serving between approximately 20% and 50% of enrolled students annually, and some lack the physical space to house new staff. However, Florida State University reports that it has not experienced an increase in the number of students visiting its health center since it implemented mandatory insurance.<sup>24</sup>

Universities may need to establish processes to bill insurance companies for health services if students were required to have health insurance. Universities were concerned that students would likely expect health centers to bill their insurance companies for payment if they were required to purchase health insurance. Currently, only three university health centers bill companies other than the university-sponsored insurance company (a fourth, the University of Florida, plans to begin billing insurance companies in 2010). Insurance billing is complex and universities would need to either contract for these services or hire staff with expertise in medical coding and billing. Universities also would need to become an in-network provider for insurance companies to effectively implement billing systems and ensure the lowest out-of-pocket expenses for students.<sup>25</sup>

### What options exist for implementing mandatory student health insurance?

The Legislature could consider three options for establishing a policy requiring that all students purchase health insurance. Each option has advantages and disadvantages for students and the state universities.

Option 1: Require all students to purchase the university-sponsored health insurance. Under this option, all students would be required to purchase the insurance policy sponsored by their university, regardless of whether they had other insurance. This option would simplify insurance billing by health centers, as they would need to deal with only a single company, and would be relatively straightforward for universities to administer. However, this option would tend to maximize potential costs to students, as they would need to purchase insurance regardless of whether they already have coverage. None of the seven states with mandatory policies use this option.

Option 2: Require students to have health insurance as a condition for enrollment but allow them to use existing policies to meet this mandate. This option would allow students to obtain a waiver from buying the university-sponsored insurance if they have their own health insurance or are on their parents' plan, so long as these policies meet designated criteria. Florida State University uses this option for its mandatory insurance system, and students may file waiver requests electronically after answering a set of questions and providing their insurance information. Florida State University health center staff selects a sample of these policies to verify for accuracy.

The seven states with mandatory insurance use a similar process as Florida State University, although some use less restrictive criteria for waivers.<sup>26</sup> For example, the University of North Carolina system requires students to have credible insurance according to standards set by their state insurance agency and does not require students to have coverage in the area of their university.

The advantage of this option is that it reduces costs to students if they already have health insurance. However, it is more costly to

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<sup>24</sup> Florida State University reported limited enrollment growth and the loss of one physician since implementing mandatory insurance.

<sup>25</sup> An in-network provider is a provider that contracts with a specific insurance company to provide services to their insured patients. In-network provider status guarantees that the university will receive reimbursements for services provided to patients who have that insurance. Universities are not guaranteed reimbursement for those insurance companies that are out of network.

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<sup>26</sup> For example, students with health maintenance organization policies based in Miami must either purchase the Florida State University plan or purchase a policy with coverage in the Tallahassee area.

administer as universities must develop systems to process waiver requests and verify that students have insurance that meets the designated criteria. This verification process can be administered by the university, an insurance company, or a third-party vendor.<sup>27</sup>

Option 3: Allow universities to choose whether or not to adopt a mandatory insurance policy. This option would continue the current situation in which universities may establish insurance requirements that best fit the needs of their students and campuses. Decisions to implement mandatory insurance would be made by the boards of trustees with input from their student governments. The advantage of this option is that it would not increase student costs at universities that choose not to mandate health insurance and it would allow local flexibility. The disadvantage of this option is that it would not guarantee that uninsured students were covered in case of accident or serious illness nor protect university communities from the costs of needed care.

The Legislature or state universities should consider four factors in deciding how to implement a mandatory student insurance policy. These factors include the timeframe to implement the requirement, who to include in the mandate, whether to allow a phase-in period, and waiver requirements.

Timeframe. At a minimum, universities need at least a full academic year to implement a mandatory student insurance requirement. This timeframe gives universities time to determine how to structure the requirement and process waivers, and would allow their financial aid offices to include insurance when calculating the cost of attendance. This timeframe also allows universities to adjust health fees as necessary to support the initiative.

Extent of mandate. The Legislature or state universities would need to decide whether an insurance mandate would apply to all students,

or only those that attend full-time. Currently, Florida State University requires only full-time students to have health insurance. Some other states and universities use broader criteria, with most requiring students taking six credit hours or more to have insurance. Including part-time students in the requirement would significantly increase their cost of attendance. However, other states report cases in which individuals have enrolled in a university for the minimum credit hours to become eligible to purchase university insurance.

Phase-in period. The Legislature or state universities would also have to decide whether to implement a mandatory requirement for all existing students, or to phase-in the requirement over time for new students who enter the university. Florida State University opted for a phased-in approach, which allows students and the university time to prepare.

Waiver requirements. Finally, the Legislature or state universities would need to determine the criteria for students to receive waivers from the requirement to purchase university health insurance. Florida State University has implemented a waiver option and has generally required students to have policies with similar coverage as those mandated for international students, and requires that the policy include providers in the Tallahassee area and at least \$100,000 in major medical coverage.

### **What billing practices are used at state university student health centers and what options exist for billing for student health services?**

While we did not identify any state that requires public universities to bill insurance companies for student health services, many public universities have established such billing systems, similar to the way doctors' offices bill insurance companies for patient visits.<sup>28, 29</sup> One step to establish a

<sup>28</sup> We contacted universities in 18 states and none reported a state mandate for university health centers to bill student health insurance.

<sup>29</sup> Billing insurance companies requires the university or contracted vendor to prepare and submit student claims for services.

<sup>27</sup> A third-party vendor is a company other than the insurance company that provides claims-paying functions for the university-sponsored insurance.

billing system is to become an in-network provider with insurance companies. In-network provider status guarantees university health centers receive reimbursements from insurance companies for services provided to students who have these policies. While universities can bill insurance companies for which they are not an in-network provider, they may not receive reimbursement and the amount reimbursed is generally lower than in-network reimbursements.<sup>30</sup>

According to a national report, university health centers are shifting from a model in which services are funded through student fees to a model that supplements this income with revenues from fees for services and insurance billing.<sup>31</sup> This enables universities to receive funds from a source other than student fees. If universities change fee schedules and charge additional fees for services, they will receive additional revenue and could use health fees to support services such as mental health and health education.<sup>32</sup> However, billing may not be cost-effective for all state universities, especially those that offer limited services or have a high percentage of uninsured students.

Three state universities currently bill student insurance policies for services provided at their health centers. Florida State University and the University of Central Florida administer insurance billing through their student health centers, while the University of South Florida uses the University of South Florida Health system to facilitate the billing process.<sup>33,34</sup> In

addition, the University of Florida has established a system through its College of Medicine and plans to begin billing in 2010.

The three universities that currently bill insurance policies file claims with both in-network and out-of-network insurance policies, and two universities use the student health fee as an insurance co-payment so students do not have to pay any fees to see a primary care physician.<sup>35</sup> Students without insurance at the three universities are required to pay the fee for service amount.

Exhibit 4 shows the billing process used by the universities for the different types of student insurance. Insurance payments received by the three universities totaled \$1.2 million in 2008-09, or about 4% of their total health center revenue.<sup>36</sup> This total is expected to grow over time if universities become in-network with more insurance companies and if they charge for office visits.<sup>37</sup> All three universities use this revenue to support health center operations and the University of South Florida and Florida State University have shifted or plan to shift some health fee receipts to other related activities. For example, the University of South Florida is using health fees rather than state appropriations to support its university counseling center.<sup>38</sup>

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varies by university but is different than billing other insurance companies because universities do not have to negotiate in-network status, go through the credentialing process, and may not be billing for office visits (which involves more complicated medical coding).

<sup>35</sup> The University of Central Florida does not use the student health fee as the co-pay.

<sup>36</sup> Insurance reimbursements represent approximately 4% of health services revenue at the University of Central Florida and the University of South Florida and approximately 5% at Florida State University.

<sup>37</sup> Both Florida State University and the University of South Florida bill insurance companies for an office visit, while the University of Central Florida does not charge for an office visit and does not bill insurance companies for an office visit. As a result, the University of Central Florida does not see an increase in revenue from billing student insurance policies, rather revenue received through insurance billing is the same as what the university would have collected from the student.

<sup>38</sup> Counseling centers are not part of student health centers and are not considered auxiliary. They are funded by the health fee and state education and general appropriations at most state universities.

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Insurance companies then submit any payments for claims to the university.

<sup>30</sup> If insurance companies do not pay the full reimbursement, students pay the difference.

<sup>31</sup> *Analysis and Policy Recommendations for Providing Health Insurance and Health Care Services for the College Student Population*, Lookout Mountain Group, 2009.

<sup>32</sup> State universities indicated an increased demand for mental health services.

<sup>33</sup> The University of South Florida Health system includes the Colleges of Medicine, Nursing, Physical Therapy, and Public Health. In addition, physicians that are part of these schools have their own group that sees patients from the community.

<sup>34</sup> In addition, six of the eight universities that do not bill student health insurance policies submit student claims to their university-sponsored insurance plan. This process

**Exhibit 4  
Universities Vary in How They Bill Different Types of Insurance (2009-10)**

Insurance Type	Florida State University <sup>1</sup>	University of Central Florida	University of South Florida
In-network	2 companies: Aetna Blue Cross and Blue Shield  Student is not responsible for any amount that is not paid by the insurance company.	4 companies: Aetna Blue Cross and Blue Shield (including Blue Options) AvMed United  Student is not responsible for any amount that is not paid by the insurance company.	45 companies through USF Health  Student is responsible for the amount that is not paid by the insurance company only up to the self-pay rate.
Out-of-network	Student is responsible for any amount that is not paid by the insurance company.	Student is responsible for any amount that is not paid by the insurance company.	Student is responsible for the amount that is not paid by the insurance company only up to the self-pay rate.
Not Accepted	KidCare, Medicaid	None	Non-participating HMO's, including some Medicaid policies
No Insurance	Student is billed for 100% of the fee for service amount.	Student is billed for 100% of the fee for service amount.	Student is billed for 100% of the fee for service amount.

<sup>1</sup> Florida State University is in the process of finalizing a contract to be in-network for United.

Source: OPPAGA analysis.

Billing insurance companies also benefits students because they pay less out of pocket for specific services. For example, a student that received lab tests at a university health center could be charged a service fee of \$100; if the student had an insurance policy that paid 80% of the fee, the student would only be charged \$20. The student would be responsible for the entire \$100 charge at a university that did not do insurance billing, although some students may be able to receive reimbursement from their insurance companies themselves.

Universities encounter challenges in becoming in-network insurance providers and establishing billing systems. While there are benefits for university health centers to bill insurance companies, they encounter several challenges in establishing billing systems.

To become an in-network provider, universities must sign a contract with the insurance company which requires all physicians at the university health center to complete a credentialing process specific to that company. Both Florida State University

and the University of Central Florida report this process takes several months to complete and requires their physicians to complete lengthy paperwork; as a result both universities have become network providers with only a few insurance companies. The University of South Florida's Health system assisted with this credentialing process and negotiated in-network status for the university's health center for more than 40 companies.

Universities report they would need additional staff to negotiate insurance contracts and perform insurance coding and billing. Florida State University and the University of Central Florida have two and five full-time staff, respectively, devoted to these processes. The University of South Florida has four staff at the health center responsible for this process and pays its health system 15% of claims revenue for its support services.

Universities also report that they incur administrative costs in submitting insurance claims and converting to electronic medical records. Florida State University and the

University of Central Florida submit insurance claims to a national vendor to check for accurate medical coding before sending the claims to insurance companies.<sup>39</sup> These vendors generally charge a fee per transaction. Additionally, most insurance companies require electronic information, and converting medical files to electronic records expedites the claim process. Florida State University and the University of Central Florida have fully converted to electronic medical records, while the University of South Florida plans to do so by December 2010.<sup>40</sup>

Billing insurance companies is more cost-effective for university health centers that offer more services and have fewer uninsured students. The universities that bill insurance companies can receive reimbursements for services they offer, including ancillary services, such as lab tests and x-rays which are often more expensive than office visits. As a result, billing is more cost effective for centers that offer a wide range of services and serve higher numbers of students. Smaller state universities expressed concerns that the costs of becoming network providers, training staff to submit claims, and updating medical records could equal or exceed the revenue they would receive in insurance payments.

State universities also differ in the number of students they estimate to be uninsured. Billing may be less cost-effective for universities that have high populations of uninsured students, as they would be unable to file claims for a high percentage of their students. Florida International University and Florida A&M University both estimated that more than 40% of their student body were uninsured, meaning that they would only be able to process claims for about half of their students. Universities also expressed concern about how billing would affect the fees they charge uninsured students for services. For example,

the University of North Florida noted that to offset the administrative costs of billing, it would likely need to increase the fees it charges all students for health services, which would result in uninsured students paying higher fees. Staff also said that they would need to develop a discount for uninsured students who paid cash for health services.

University health centers could contract for billing services or administer billing in-house. These options vary in cost and may be more appropriate for some universities.

Option 1: Contract with a billing vendor. These vendors offer varying services and charge differing fees for billing services. While no state university in Florida contracts with a vendor for billing services, several universities in other states use this method. The advantage of contracting with a vendor is that it can provide a range of services, including negotiating in-network and preferred provider contracts, training staff, providing software, and submitting claims. However, these companies can charge a relatively high percentage of insurance payments that are received through their efforts. Universities we contacted in other states reported that these fees range from 15% of total claims revenue to 50% of payments received for office visits and 20% of insurance payments for ancillary services such as lab tests and x-rays (with the higher rates charged by vendors that offer higher service levels). These fees reduce the amount of net revenue that universities can receive through insurance billing.

Option 2: Administer insurance billing in-house. This option is currently being implemented by the University of Central Florida, the University of South Florida, and Florida State University. This option enables universities to control costs and keep all revenue received from insurance companies. However, this option requires universities to incur costs in negotiating provider contracts and filing claims. Exhibit 5 shows the revenues received by the three universities and their administrative costs associated with

<sup>39</sup> The University of South Florida uses the University of South Florida Health software to check for coding accuracy.

<sup>40</sup> The University of Florida is the only other health center with electronic medical records.

administering insurance billing. Revenues and costs vary by university depending on the number of insurance companies the university is an in-network provider for and whether the university charges for an office visit. The universities report that revenues are expected to increase over time while their administrative costs are not expected to change significantly.<sup>41, 42</sup>

**Exhibit 5  
Costs and Revenues Range for Universities That Administer Billing In-House**

Fiscal Year 2008-09	Florida State University	University of Central Florida	University of South Florida
Revenue from Billing	\$457,000	\$463,270	\$257,933
Costs to Bill Insurance	\$86,500	\$161,330	\$127,190
Difference	\$370,500	\$301,940	\$130,743
Percentage of Claims Revenue Devoted to Costs	19%	35%	49%

Source: OPPAGA analysis.

## Agency Response

In accordance with the provisions of s. 11.51(5), *Florida Statutes*, a draft of our report was submitted to the chancellor of the Board of Governors to review and respond. The Board of Governors’ response has been reproduced herein in Appendix E. In addition, a draft report was also submitted to each state university. While the universities were not required to respond to the report, several universities provided comments and feedback which were considered in the final version of the report. At the time of publication, two universities provided formal responses which are included in Appendix E.

<sup>41</sup> The University of South Florida reported two costs for billing, \$88,500, which is the staffing cost for the entire year, and \$38,690, which is 15% of revenue they are required to pay University of South Florida Health. University staff expect that costs will increase slightly for the 2009-10 year, because revenue will increase and, therefore, the amount payable to University of South Florida Health will also increase.

<sup>42</sup> Both Florida State University and the University of Central Florida have increased the number of insurance companies for which they have become in-network providers, which will increase revenue. The University of South Florida reported that the revenue totals only reflect six months of revenue, as it implemented its billing system in January 2009. Florida State University expects revenue to increase because it started charging for office visits in 2009-2010.

Appendix A

# University-Sponsored Health Insurance Policies

Each of the 11 state universities offers a university-sponsored health insurance plan to students. Table A-1 describes each university's student health insurance plan. Florida State University and the University of Florida both offer two plan options—one basic and one comprehensive—and these plans are listed separately. Most university plans are offered by major national health insurance companies. The 2009-10 premium cost for domestic students ranges from \$518 (University of Florida Basic) to \$1,687 (Florida International University), with an average cost of \$1,144. With the exception of the University of Florida Basic Plan (which only covers services provided at the University of Florida Student Health Center), every university plan offers inpatient hospital coverage, mental health coverage, maternity coverage, coverage for dependents, and a broad network of providers in many locations. All schools' plans have pre-existing condition exclusions of 6 or 12 months.

**Table A-1**  
**Florida University-Sponsored Health Insurance Policies Vary**

	Florida A&M University	Florida Atlantic University	Florida Gulf Coast University	Florida International University	Florida State University - Basic	Florida State University - Comprehensive
Insurance company	United	United	Academic Health Plan	Bollinger	Blue Cross Blue Shield	Blue Cross Blue Shield
Cost: 2009-2010 Domestic	\$856	\$1,222	\$1,222	\$1,687	\$929	\$1,250
Maximum coverage	\$50,000 per injury/sickness	\$250,000 per injury/sickness	\$100,000 per year	\$25,000 <sup>1</sup> per year	\$100,000 per year	\$250,000 per year
Deductible: In-network	\$100	\$400	\$150	\$100	\$500	\$250
Deductible: Out-of-network	\$200	\$800	\$150	\$300	\$500	\$250
General coverage: In-network	80%	80%	80%	80%	80%	80%
General coverage: Out-of-network	60%	70%	65%	50%	50%	50%
Prescription drug coverage	Yes	Yes	Yes	Yes	Yes	Yes
Prescription drug maximum (per policy year)	\$500	\$1,000	\$1,000	\$1,000	\$300	\$2,500
Inpatient hospital coverage	Yes	Yes	Yes	Yes	Yes	Yes
Mental health coverage	Yes	Yes	Yes	Yes	Yes	Yes
Maternity coverage	Yes	Yes	Yes	Yes	Yes	Yes
Coverage for whole year	Yes	Yes	Yes	Yes	Yes	Yes
One premium for all students	Yes	Yes	Yes	Yes	Yes	Yes
In-network service providers for health insurance policy	Student health center United network providers	Student health center United network providers	Student health center ACE network providers	Student health center Bollinger network providers	Student health center BCBS network providers	Student health center BCBS network providers

**Exhibit A-1 (continued)**  
**Florida University-Sponsored Health Insurance Policies Vary**

	New College of Florida	University of Central Florida	University of Florida - Basic	University of Florida - Comprehensive	University of North Florida	University of South Florida	University of West Florida
Insurance company	United	Aetna	Aetna	Aetna	Blue Cross Blue Shield	Blue Cross Blue Shield	United
Cost: 2009-2010 Domestic	\$770	\$1,384	\$518	\$1,391	\$1,105	\$1,539	\$995
Maximum coverage	\$50,000 per injury/sickness	\$250,000 per injury/sickness	\$1,500 per year	\$200,000 per year	\$200,000 per year	\$200,000 per year	\$200,000 per injury/sickness
Deductible: In-network	\$100	\$250	N/A <sup>2</sup>	Inpatient - \$200 Outpatient - \$100	\$100	\$300	\$50
Deductible: Out-of-network	\$200	\$400	N/A <sup>2</sup>	Inpatient - \$200 Outpatient - \$100	\$100	\$500	\$100
General coverage: In-network	80%	80%	80%	90% / 80% <sup>3</sup>	80%	80%	90%
General coverage: Out-of-network	60%	70%	N/A	70%	70%	70%	70%
Prescription drug coverage	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Prescription drug maximum (per policy year)	\$500	\$1,250	\$1,000	\$1,000	\$200,000	\$1,000	None
Inpatient hospital coverage	Yes	Yes	No	Yes	Yes	Yes	Yes
Mental health coverage	Yes	Yes	No	Yes	Yes	Yes	Yes
Maternity coverage	Yes	Yes	No	Yes	Yes	Yes	Yes
Coverage for whole year	Yes	Yes	Yes <sup>4</sup>	Yes	Yes	Yes	Yes
One premium for all students	Yes	Yes	No <sup>5</sup>	No <sup>5</sup>	Yes	Yes	Yes
In-network service providers for health insurance policy	Student health center United network providers	Student health center Aetna network providers	UF student health center ONLY	Student health center Aetna network providers	Student health center BCBS network providers	Student health center BCBS network providers	Student health center BCBS network providers

<sup>1</sup> At Florida International University, benefits in excess of \$25,000 will be paid at 80% by Markel Insurance Company to a combined \$250,000 maximum.

<sup>2</sup> The University of Florida’s basic plan only covers services offered at the UF student health center; there are no deductibles.

<sup>3</sup> The University of Florida’s comprehensive plan pays 90% at Shands Hospital and Shands Physicians; other preferred providers are paid at 80%.

<sup>4</sup> The University of Florida’s basic plan only covers services provided by the student health center, which is closed on Saturdays and holidays, and has limited hours during semester breaks.

<sup>5</sup> For both of the University of Florida plans, students age 25 and over pay a higher premium.

Source: OPPAGA analysis.

In addition to the university-sponsored policies, some students in Florida may be eligible to participate in the Cover Florida Health Care Access Program. Established by the Legislature in 2008, the program offers coverage to residents ages 19-64 who have been without insurance for at least six months and are not eligible for a public health insurance program such as Medicaid or Medicare. Six private companies participate in the program, with two companies, Blue Cross Blue Shield and United, providing coverage in all 67 counties. The costs of the premiums range from \$284/year to \$3,970/year depending on the benefits and coverage. Table A-2 describes the four health insurance plans offered statewide under Cover Florida. Currently, only 729 Florida citizens ages 19-29 are enrolled in the program.

**Table A-2**  
**Cover Florida Health Insurance Includes Policy Options**

Cover Florida Program	United Preventative	United Catastrophic	Blue Cross Blue Shield Preventative	Blue Cross Blue Shield Catastrophic
Insurance company	United	United	Blue Cross Blue Shield	Blue Cross Blue Shield
Cost for one year (paid monthly) <sup>1</sup>	\$1,521.72 female, \$924.48 male	\$3,970.20 female, \$2,411.76 male	\$284.40 to \$486.12	\$808.68 to \$1,279.56 female, \$694.92 to \$1,078.80 male
Maximum coverage	\$500,000 lifetime	\$500,000 lifetime	N/A	\$25,000 annually; \$50,000 lifetime
Deductible: In-network	\$0	\$500	\$0	\$3,000
Deductible: Out-of-network	\$0	\$500	\$0	\$6,000
Deductible waived at student health center	N/A	N/A	N/A	N/A
General coverage: In-network	100% of preventative care covered; maximum \$450 annual benefit for physician's office services; maximum \$600 for outpatient services	80% (100% of preventative care services)	BCBS pays up to \$50 toward cost of each service, not including inpatient, hospital or emergency services; pays 100% for some in-network diagnostics (mammograms, blood work); BCBS has negotiated lower rates for in-network services	BCBS pays up to \$50 toward cost of each service; for emergency and hospital services, member pays deductible plus 20% of charges
General coverage: Out-of-network	Not covered	Not covered, except hospital and emergency services	BCBS pays up to \$50 toward cost of each service	BCBS pays up to \$50 toward cost of each service
Prescription drug coverage	Yes	Yes	BCBS pays up to \$15 toward prescription cost	BCBS pays up to \$15 toward prescription cost
Prescription drug maximum (per policy year)	\$500	\$500	None	None
Inpatient hospital coverage	No	Yes (maximum 10 days per year)	No	Yes
Mental health coverage	Limited to 5 visits/year; no inpatient benefits	Limited to 5 visits/year; maximum 5 days inpatient/year	BCBS pays up to \$50 per visit (outpatient only); \$500 maximum per year	BCBS pays up to \$50 per visit outpatient (maximum \$500 per year); inpatient maximum \$2,000 per year; lifetime maximum \$10,000
Coverage for 1 year	Yes (paid monthly)	Yes (paid monthly)	Yes (paid monthly)	Yes (paid monthly)
One premium for all students	No (females charged higher rate; age-banded)	No (females charged higher rate; age-banded)	No (age-banded)	No (females charged higher rate; age-banded)
Coverage areas	Statewide; United network providers	Statewide; United network providers	Statewide (lower cost at BCBS network providers)	Statewide (lower cost at BCBS network providers)

<sup>1</sup>Prices quoted are for students ages 19-29.

Source: OPPAGA analysis.

## Appendix B

# Universities Charge and Collect Varying Levels of Student Health-Related Fees

The student health fees charged by each university for each of the past four academic years are shown in Table B-1. Nine universities charge the health fee on a per credit hour basis, while Florida A&M University and Florida International University charge per semester. Five of the universities have increased their student fees each of the past four academic years; the largest increase during this time period was at Florida Gulf Coast University, where the fee increased by \$2.67 per credit hour.

**Table B-1**  
**Nine Universities Charge Student Health Fees Per Credit Hour**

State University	2005-06	2006-07	2007-08	2008-09
<b>Health Fees Charged Per Credit Hour</b>				
Florida Atlantic University	\$5.00	\$5.00	\$6.33	\$7.50
Florida Gulf Coast University	3.96	6.03	6.03	6.63
Florida State University	7.35	7.55	7.98	8.38
New College	3.95	4.16	4.36	4.58
University of Central Florida	6.60	7.95	8.11	8.59
University of Florida	8.44	8.78	9.27	9.89
University of North Florida	5.07	5.62	5.62	5.86
University of South Florida	6.84	7.27	7.91	7.91
University of West Florida	3.19	3.64	4.31	4.82
<b>Average</b>	<b>\$5.60</b>	<b>\$6.22</b>	<b>\$6.66</b>	<b>\$7.13</b>
<b>Health Fees Charged Per Semester</b>				
Florida A&M University	\$59.00	\$59.00	\$59.00	\$59.00
Florida International University	54.00	67.20	67.20	67.20

Source: Health fees reported by state universities.

University health, activity and service, and athletic fees collectively may not exceed 40% of the tuition rate established in law or in the General Appropriations Act. In addition, universities may not increase the sum of health, activity and service, and athletic fees by more than 5% each year. Universities have a committee which reviews fee increases for all three types of fees. The committees must include students and university staff. Some universities divide the 5% increase across all three fees, while other committees review budgets and vote on increases.

**Universities collected more than \$68 million in health-related fees in 2008-09.**

Altogether, students paid \$55.7 million in health fees as part of their tuition and fees and \$12.9 million in fees for health services (see Table B-2). The total health fee collected ranged from \$207,807 at New College of Florida to over \$12.8 million at the University of Florida. Fees for services ranged from \$116,194 at Florida Gulf Coast University to over \$5 million at the University of Florida. New College and the University of West Florida did not report any fees collected for services in 2008-09.

**Table B-2  
Students Paid over \$68 million in Health Fees and Charges for Health Services to State Universities**

SUS	Total Health Fee Collected	Total Fees for Services	Total Paid by Students
Florida A&M University	\$ 1,428,812.73	\$ 134,934.10	\$ 1,563,746.83
Florida Atlantic University	4,193,008.60	953,481.09	5,146,489.69
Florida Gulf Coast University	1,680,204.00	116,194.02	1,796,398.02
Florida International University	5,981,692.00	964,135.79	6,945,827.79
Florida State University	8,392,993.00	1,765,022.88	10,158,015.88
New College	207,807.00	---	207,807.00
University of Central Florida	9,735,651.00	3,116,452.51	12,852,103.51
University of Florida	12,895,375.61	5,019,331.12	17,914,706.73
University of North Florida	2,329,321.00	178,908.99	2,508,229.99
University of South Florida	7,711,151.00	668,205.01	8,379,356.01
University of West Florida	1,172,237.92	---	1,172,237.92
<b>Total</b>	<b>\$55,728,253.86</b>	<b>\$12,916,665.51</b>	<b>\$68,644,919.37</b>

Source: Health fees and fees for services reported by state universities.

*Appendix C*

# University Health Centers Use Accreditation Standards as Best Practices for Providing Health Services

University health centers use standards and guidelines issued by healthcare accreditation agencies and the American College Health Association. Most state university health centers in Florida try to follow the standards set by the Accreditation Association for Ambulatory Health Care. However, only three universities’ health centers (the University of Florida, the University of Central Florida, and Florida State University) have received accreditation. The University of South Florida, Florida International University, and Florida Gulf Coast University are in the review process for accreditation. While the six other state universities are not accredited or in the process, many reported they use these standards as guidelines for providing services. Although the Accreditation Association for Ambulatory Health Care does not have a specific set of standards for college health centers, it has seven core accrediting standards for primary care facilities which apply to student health centers.<sup>43</sup> These core standards cover the major aspects of primary care facilities. Table C-1 provides a description of each core standard.

**Table C-1  
Student Health Centers Have Seven Standards for Delivering Primary Patient Care**

Standard	Description
Rights of Patients	Patients are to be treated with respect, consideration and dignity and be provided complete information concerning their diagnosis, treatment, and prognosis.
Governance	The governing body must be fully and legally responsible for the operation and performance of the organization.
Administration	Policies, procedures and controls must be established and implemented to ensure the orderly and efficient management of the organization.
Quality of Care Provided	Health care professionals must have the necessary and appropriate training and skills to deliver the services and must practice in an ethical and legal manner to ensure patient safety.
Quality Management and Improvement	The organization must maintain an active and organized process for peer review that is integrated into the quality management and improvement program.
Clinical Records and Health Information	The organization must develop and maintain a system for the proper collection, processing, maintenance, storage, retrieval and distribution of patient records.
Facilities and Environment	The organization must provide evidence of compliance with applicable state and local building codes and regulations, fire prevention regulations and federal regulations.

Source: Accreditation Association for Ambulatory Health Care.

In addition to accreditation standards, the American College Health Association has guidelines for student health insurance and health promotions. All of Florida’s state university health centers are members of the association. The guidelines for student health insurance include minimum standards for university student health insurance policies and encourage universities to monitor and evaluate their policy. The minimum standards include coverage for preventive services, catastrophic illness/injury, prescriptions, and dependents/spouses. Plans should also minimize or eliminate pre-existing condition exclusions, continue coverage if the student takes medical absence, and be available to all eligible students. The health promotions guidelines encourage institutions to incorporate health promotions into the school’s learning mission, advance health promotions through community partnerships, and engage in ongoing professional development and service in the field.

<sup>43</sup> The Accreditation Association for Ambulatory Health Care is updating the standards to include a new standard for infection control.

## Appendix D

# Cost of Attendance at State Universities for 2009-10

A mandatory student health insurance policy would increase the cost of attendance calculation used by financial aid offices at state universities by between 5% and 7% for undergraduates. State universities use the cost of attendance to award students financial aid. While the cost of attendance calculation would increase for all students, only students who needed to purchase insurance would be paying additional fees. Two universities, Florida State University and the University of Florida, include health insurance in their calculated cost of attendance, while the other nine state universities do not. Cost of attendance at state universities generally includes tuition and fees, room and board, books and supplies, transportation, and personal expenses. These costs vary based on several factors, including whether the student is full-time or part-time, undergraduate or graduate, and where the student is living. Table D-1 shows the costs of attendance for the nine universities that currently do not include health insurance in their calculation.<sup>44</sup>

**Table D-1**  
**The Cost of Attendance at State Universities Varies by Student Type**

State University	Undergraduate On-campus	Undergraduate Off-campus	Undergraduate Average	Graduate On-campus	Graduate Off-campus	Graduate Average
Florida A&M University	\$15,274	\$16,792	\$16,033	\$16,648	\$19,622	\$18,135
Florida Atlantic University	\$18,196	\$18,692	\$18,444	\$19,146	\$19,642	\$19,394
Florida Gulf Coast University	\$17,970	\$17,970	\$17,970	\$18,754	\$18,754	\$18,754
Florida International University	\$21,428	\$20,914	\$21,171	\$23,377	\$28,715	\$26,046
New College	\$17,067	\$17,284	\$17,176	N/A	N/A	N/A
University of Central Florida	\$18,100	\$18,100	\$18,100	\$19,088	\$19,088	\$19,088
University of North Florida	\$18,997	\$20,248	\$19,623	\$20,553	\$21,804	\$21,179
University of South Florida	\$18,930	\$18,930	\$18,930	\$21,760	\$21,760	\$21,760
University of West Florida	\$16,186	\$16,886	\$16,536	\$16,648	\$17,348	\$16,998
<b>Average Cost of Attendance</b>	<b>\$18,016</b>	<b>\$18,424</b>	<b>\$18,220</b>	<b>\$19,497</b>	<b>\$20,842</b>	<b>\$20,169</b>

Source: OPPAGA analysis.

<sup>44</sup> Full-time students are defined as 15 credit hours per semester for undergraduates and 9 credit hours per semester for graduate students.

Table D-2 shows that the average cost of attendance would increase between 5% and 7% if universities implemented a mandatory insurance requirement similar to Florida State University’s plans. Florida State University has a basic insurance plan (\$929) and a comprehensive insurance plan (\$1,250) as described in Appendix A. We added the price of each plan to the average cost of attendance at state universities to calculate a percentage increase for each type of student. The cost of health insurance may change depending on whether or not universities form a purchasing consortium and the type of benefits each university chose to include.

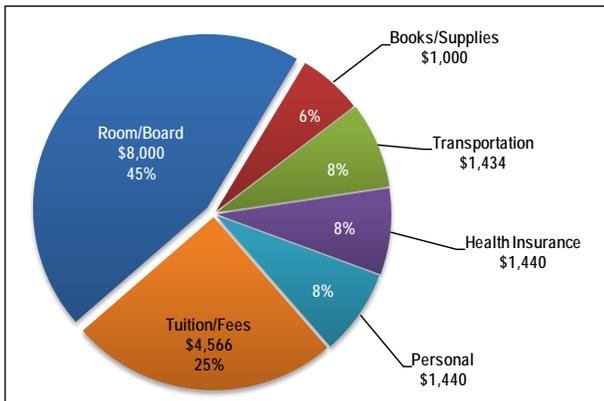
**Table D-2**  
**A Health Insurance Requirement Would Increase the Average Cost of Undergraduate Attendance at State Universities by 5% to 7%**

Health Insurance Plan		Undergraduate Off-campus	Undergraduate On-campus	Undergraduate Average	Graduate On-campus	Graduate Off-campus	Graduate Average
Basic	Average cost of attendance plus \$929 health insurance premium	\$18,945	\$19,353	\$19,149	\$20,426	\$21,771	\$21,098
	<b>Percentage increase in cost of attendance</b>	<b>5.16%</b>	<b>5.04%</b>	<b>5.10%</b>	<b>4.76%</b>	<b>4.46%</b>	<b>4.61%</b>
Comprehensive	Average cost of attendance plus \$1,250 health insurance premium	\$19,266	\$19,674	\$19,470	\$20,747	\$22,092	\$21,419
	<b>Percentage increase in cost of attendance</b>	<b>6.94%</b>	<b>6.78%</b>	<b>6.86%</b>	<b>6.41%</b>	<b>6.00%</b>	<b>6.20%</b>

Source: OPPAGA analysis.

Tables D-3 and D-4 show the components that are included in the cost of attendance for Florida State University and the University of Florida. Health insurance represents about 8% of the total cost of attendance and is equivalent to a third of total tuition.

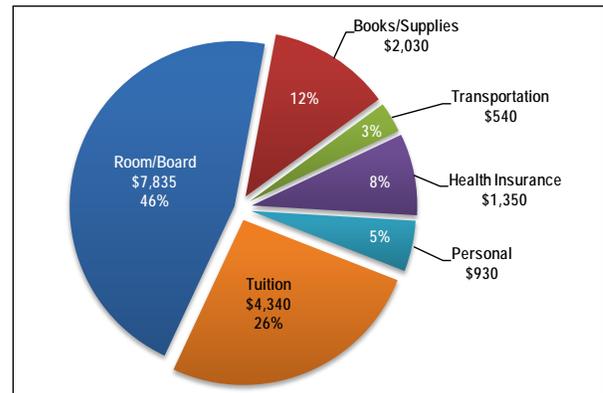
**Table D- 3**  
**2009-10 Cost of Attendance at Florida State University Is \$17,880**



Note: Florida State University does not provide separate costs of attendance for on-campus and off-campus. The financial aid office uses the amount for health insurance from the prior year’s policy (2008-09) because the health insurance policy cost for the current academic year is not available when the financial aid office has to calculate cost of attendance.

Source: Florida State University, Office of Financial Aid.

**Table D-4**  
**2009-10 Cost of Attendance at the University of Florida Is \$17,025**



Note: The cost of attendance is an average of on-campus and off-campus costs of attendance. The financial aid office uses the amount for health insurance from the prior year’s policy (2008-09) because the health insurance policy cost for the current academic year is not available when the financial aid office has to calculate cost of attendance.

Source: University of Florida, Office of Financial Aid and Student Affairs.

**Appendix E**



**FLORIDA BOARD OF GOVERNORS**

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November 24, 2009

Gary R. VanLandingham, Ph.D., Director  
 Office of Program Policy Analysis and  
 Government Accountability (OPPAGA)  
 Claude Pepper Building, Room 312  
 111 West Madison Street  
 Tallahassee, Florida 32399

Dear Dr. VanLandingham:

Thank you for the opportunity to review the draft report: "State University Students Pay Over \$68 Million for Health Services; Mandating Student Health Insurance Would Produce Benefits But Raise Uninsured Students' Cost of Attendance 5 to 7 %." Further, we appreciate the open and cooperative approach that your staff has followed during the development of this report, particularly the willingness of your staff to seek and consider feedback from university representatives on the preliminary draft report.

The report acknowledges the distinctiveness of the 11 state universities in the provision of student health care and points out that there are large universities with student health centers that provide comprehensive and extended services and smaller institutions with part-time clinics and limited services. The determination of the delivery of student health care continues to be dependent on each institution's student population and its history, size, geographic location, academic program offerings, complexity, and technological sophistication.

The report presents information on services provided by state university student health centers and describes different policy options available to institutions for the delivery of health insurance. The report mentions that student health fees provide funding for university mental health and counseling services. Though not the subject of this report, this issue is an important one as the increasingly critical issues affecting today's students have created a growing demand for more comprehensive mental health and counseling services on our campuses.

Arguments for and against the provision of a mandatory policy for student health insurance are presented evenhandedly in the report and options are offered for establishing such a policy. The report states that a mandatory policy "would increase uninsured students' cost to attend a state university by 5 to 7 %." As of this date, this

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*University of Central Florida* • *Florida International University* • *University of North Florida* • *Florida Gulf Coast University* • *New College of Florida*  
 Orlando                      Miami                      Jacksonville                      Fort Myers                      Sarasota

November 24, 2009

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calculation and supporting statements are being further reviewed by your staff and the university student health center directors and revised to gain accuracy and clarity.

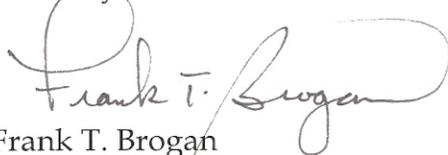
The section of the report on insurance billing provides considerable detail on billing practices at SUS health centers and options that are available to institutions. The information provided on this topic substantiates the view that each state university should continue to determine its participation in a structured billing system for student health insurance based on its student population, its health care services, and its business infrastructure.

The Board of Governors reconvened a State University System Student Health Insurance Task Force in the summer of 2009 to provide a more detailed examination of current issues and trends in student health insurance from a system-wide perspective. The task force is continuing its work and is focusing on the impact of insurance options on students and institutions and is targeting areas where efficiencies might be gained in the provision of health insurance to SUS students.

University student health care is a significant health insurance issue and is at the forefront of the national debate on U.S. health care reform. In light of this critical examination, the SUS Task Force will continue to monitor activity in the U.S. Congress relating to national health care and to analyze proposed legislation as it relates to university student health care and health insurance issues. The SUS Task Force will be better positioned to proceed with the development of a report and recommendations for the State University System once there is clarity regarding how the national health care debate may impact our efforts.

The OPPAGA report will be instructive to the SUS Task Force as it continues its work.

Sincerely,



Frank T. Brogan  
Chancellor

- c: Jane Fletcher, Education Director, OPPAGA
- Derry Harper, Auditor General, BOG
- Ed Jordan, Auditor General, DOE
- Nancy McKee, Associate Vice Chancellor, BOG
- Jon Rogers, Director, Academic & Student Affairs, BOG
- Emily Sikes, Senior Legislative Analyst, OPPAGA



Student Health Care Center  
Office of the Director

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Phone: 352-392-1161 x4220  
Fax: 352-392-9625

November 30, 2009

To: Gary R. VanLandingham, Ph.D., Director  
Florida Legislature, Office of Program Analysis and Government Accountability  
111 W. Madison St., Suite 312  
Tallahassee, FL 32399-1475

RE: Mandatory Health Insurance

This letter is in response to the recent draft report released by the Office of Program Policy Analysis & Government Accountability (OPPAGA) discussing the efficacy of mandatory student health insurance at state universities. Although the report estimates the financial impact on cost of attendance and feasibility of insurance billing for state institutions, it underestimates the potential costs of paying for and difficulty of access to health care when uninsured. Furthermore, the report minimizes the positive impact that obtaining health insurance will have on the student's successful completion of their education and overall well being.

As stated in the report, implementing mandatory health insurance may increase the cost of attendance by 5-7% for uninsured students. However, should this student become ill or injured the individual cost of paying for health care far exceeds the estimated burden on cost of attendance. Students who may be financing their own education will likely not be able to continue his or her academic career in the face of surmounting medical bills. Additionally, at the University of Florida, a portion of uninsured students who are receiving financial aid assistance are currently allotted funding to purchase health insurance yet choose not to obtain coverage. As referenced in OPPAGA's report, the U.S. Government Accountability Office reported that "uninsured students incurred from \$120 million to \$255 million in uncompensated care for non-injury-related medical events in 2005".<sup>1</sup> When comparing the estimated attendance costs of insurance to the overall societal impact of uninsured students, insurance costs appear to be less significant.

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<sup>1</sup> *Most College Students Are Covered through Employer-Sponsored Plans, and some Colleges and States Are Taking Steps to Increase Coverage*, U.S. Government Accountability Office, Report No. GAO-08-389, March 2008.

It is also prudent to discuss the impact that being uninsured has on access to care. Students who are uninsured may use the student health center or counseling services on campus for affordable care on an as-needed basis. However, for many smaller state institutions medical and counseling services on-site may be limited. Additionally, a student may need specialty care and accessing community medical providers without health insurance can be difficult at best.

An estimated 80% of college students are already insured as dependents under parent's employer-sponsored plans. In recent years, these plans have increased the eligible age for those enrolled in school. However, some of these plans may not provide adequate protection by carrying high deductibles or geographic limitations to care thereby essentially putting those students at risk. For those who are not currently insured or are underinsured, each state institution currently offers a health insurance option that is reasonably priced and provides broad coverage. Implementing mandatory health insurance and defining adequate benefits will increase the enrollment to these plans and allow the universities to negotiate with insurers for competitive pricing (thus potentially modifying the 5-7% additional cost referenced in this report) as well as ensuring the student population can easily access medical and counseling services while at school.

The University of Florida fully supports the implementation of mandatory health insurance and feels the draft report needs to present a stronger perspective on how this directive will improve the health and success of Florida's college student population.

Respectfully submitted on behalf of the University of Florida,

Phillip Barkley, MD  
Director, Student Health Care Center  
University of Florida

Patricia Telles-Irvin  
Vice President for Student Affairs  
University of Florida



December 2, 2009

Gary R. VanLandingham, Ph.D.  
Director  
Office of Program Policy Analysis and  
Government Accountability (OPPAGA)  
Claude Pepper Building, Room 312  
111 West Madison Street  
Tallahassee, Florida 32399

Dear Dr. VanLandingham:

We are taking this opportunity to echo Chancellor Brogen's comments in his letter to you dated November 24, 2009 concerning the draft report "State University Students Pay Over \$68 Million for Health Services; Mandating Student Health Insurance Would Produce Benefits But Raise Uninsured Students' Cost of Attendance 5 to 7%.". We would also like to commend Emily Sikes and her associates for their diligence in information gathering, analysis and presentation of data in a cogent, easy to read format. Their task was formidable, given the diversity of size and scope of campus health service programs throughout the State University System and the availability of resources necessary to support them.

We found the report to provide relative balance to the pros and cons of adopting a policy that would require students to provide proof of health insurance that meets minimum requirements similar to those required for international students. There are, however, several concerns we feel need to be considered by decision-makers who will take the time to read the report, ask pertinent questions and take action, policy-wise, in the best interest of current and future students.

There is a wealth of substantive information included in the body of the report. However, we are concerned that the headliner will distort the thinking and understanding of legislative decision makers regarding the value proposition of our campus health service programs. "\$68 million for Health Services..." sounds like an enormous sum. It is, but when compared to what students would be paying in the community for access and receipt of those primary care services we provide at nominal costs, the sum would likely be much higher. And, not all of the \$68 million is earmarked for medical care services. A substantial part of the \$68 million is directed to support Counseling services and health education programs and services that generate very little, if any, revenue.

The following statement needs further explanation: "However, it would increase uninsured students' cost to attend a state university by 5 to 7%, which could limit access to state universities." If health insurance is mandatory, it would be considered a condition of enrollment that would make financial aid money

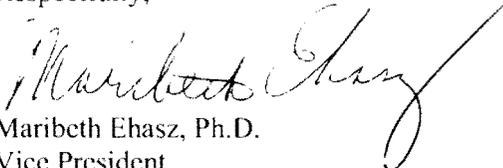
available to help students pay the health insurance premium. It would, however, place more pressure on our institutions to add money to the financial aid pool to help cover the additional costs of attendance for this sub-set of the overall student population. While we understand that many student leaders have concerns about any additional costs to attend a university, we are concerned about student success for those students without insurance who incur medical expenses that exceed the premium costs for health insurance protection.

This report may serve as the catalyst for change and presents cogent rationale for the Florida SUS Board of Governors and state legislators to take action now to achieve for our students what will eventually occur for the vast majority of Americans. It is a bridge from where we are to where we are capable of being. Florida has the potential to act on students' behalf as other states such as North Carolina who recently decided to adopt a policy mandating health insurance with waiver for all its public colleges and universities, effective for the 2010-2011 academic year.

Making health insurance mandatory for SUS students not only creates a great opportunity to consider a system-wide consortium plan tailored to fit the college health market, it also enables us to carve out a student health insurance-benefit program that meets the standards for student health insurance espoused by the American College Health Association. Taking this step would give us the opportunity to spread risk among a larger pool of insured students making the cost very affordable.

Finally, we need to increase the prospects of a healthy return on the investment we have in recruiting the very best and brightest students without jeopardizing their career goals if available funds have to be diverted to pay hospital and doctor bills instead of tuition. Keeping students healthy and in school benefits not only the school but eventually the State of Florida. A system-wide policy that requires students to provide proof of insurance as a pre-matriculation requirement will help protect the institutions' return on their investment. It will enable students and their families to preserve their financial resources to meet those financial obligations required to meet their academic and career goals.

Respectfully,

  
Maribeth Ehasz, Ph.D.  
Vice President  
Student Development and Enrollment Services

  
J. Robert Wirag, H.S.D.  
Director  
UCF Health Services

*The Florida Legislature*  
*Office of Program Policy Analysis*  
*and Government Accountability*



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OPPAGA provides performance and accountability information about Florida government in several ways.

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Project conducted by Emily Sikes (850/487-9227), Erika Morse, and Amelia Parnell  
Gary R. VanLandingham, Ph.D., OPPAGA Director