1. **Issue:** SBHE Policy 505 – International student health insurance policy. We need to update this policy to reflect the latest proposal of the student health insurance plan workgroup, which found that if the NDUS limited waivers from our health insurance plan, all international students and the staffs that work with them, would experience direct benefits.

2. **Proposed actions:** Approve/deny the proposed edits to SBHE Policy 505 – International Student Health Insurance.

3. **Background information:** Student health insurance premiums have continued to rise over the last few years. Partially because health insurance costs are increasing, but also partially because of high rates of utilization. The insurance policy we offer to the students is very robust and when compared to what an individual can secure through private insurance or the exchange, it is very affordable. However, to the student population who is not accustomed to purchasing insurance or navigating the realm of health insurance, they do not consider it affordable, especially our international students.

   Domestic students, though required by federal law, do not have to have health insurance in order to attend an NDUS institution. International students’ visas, however, require those students to purchase insurance with certain benefits.

   In 2016-2017, 1993 individuals purchased the NDUS sponsored health insurance plan. 1634 were international students and their dependents; 359 were domestic students and their dependents. Though the domestic population comprised 18% of the clientele, that group outspent the international group by extreme margins. International students do not use the insurance at a similar consumption rate for a variety of reasons; they are unfamiliar with our health care system, they plan to return home if a large health concern should arise, or they lack transportation to an off-campus health facility. Because of this, the international students were subsidizing the costs for the domestic students. Starting in 2016, because of policy changes involving graduate student compensation packages and the ever-increasing premium costs, most colleges and universities across the system started to allow a greater portion of international students to waive NDUS’s coverage as long as the international student secured comparable coverage and provided proof. This led to over 270 international student waiver processes to transpire whereas in previous years, institutions would entertain a fraction of that number. The amount of work the waiver process placed upon our campus staffs was significant. Some campuses would use 1-4 professionals to vet the many requests over the course of 5-8 weeks.

   For 2017-2018, we renegotiated the insurance premiums with our carrier. We plan to separate domestic students from international students, which will lead to a significant premium reduction for the international population: 30%. That will save our international students an excess of $1.2 million dollars next year. Because we have secured a more affordable, yet still comprehensive
and compliant, insurance plan for our international students, and because each campus will continue to feel the effects of reduced workforce, the student health insurance workgroup believes it would be appropriate to limit waivers in the future and resume granting waivers in only extreme or exceptional circumstances. This will benefit all parties; the students will not have to hunt for adequate coverage or spend time completing complicated forms and navigating an industry they are unfamiliar with; instead, they can have confidence in the plan that we present to them. Staff will no longer have to spend weeks of time vetting insurance documents, something they do not receive training to do, and instead focus their time and energy on providing services and outreach to students. Finally, if we increase our enrollment on the insurance plan, we will see the benefits of enrolling a larger client base, which could result in lower premiums, or at the very least, premiums that will increase at a minimal rate.

4. Financial implications: Some international students will still argue that this adjusted plan is still too expensive ($1748 for 12 months) and will want to shop around for more affordable coverage. When compared to neighboring states, this rate is quite competitive, especially given the benefits of the insurance policy. As far as financial implications for the colleges and universities, most schools will see a relief. The waiver process consumes a substantial amount of time for staff. Streamlining this process and limiting the amount of waivers will reduce labor, stress, and burden on our already taxed staff members.

To illustrate, if the same number of domestic and international students enrolled in the health insurance plan next year, here is a breakdown of the added costs and savings:

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>359 Domestic</td>
<td>$896,064</td>
<td>$1,385,749</td>
<td>$489,676</td>
</tr>
<tr>
<td>1634 Interna</td>
<td>$4,078,464</td>
<td>$2,856,232</td>
<td>($1,222,232)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Comprehensive total:</td>
<td>($732,556)</td>
</tr>
</tbody>
</table>

Overall, we will save students across the NDUS $732,556.

5. Legal/policy issues: Because we have entertained one year of a more lenient waiver procedure, there will be some discomfort with returning to a stricter standard across the state. However, once this is in place and has some history and weight behind it, we will encounter better outcomes.

6. Academic issues: It is difficult to retain students when they experience a personal health event and do not have adequate insurance to seek appropriate care all while not incurring vast out-of-pocket costs. By ensuring that all international students enroll in our insurance plan, which has low deductibles and a low out-of-pocket maximum, we are providing extra “insurance” to their future as a student in the NDUS, should a health event transpire.

7. Coordination: On February 1, 2017, the Academic Affairs Council and on February 2, 2017, the Student Affairs Council voted in favor (with one school voicing dissent at the SAC meeting; no concerns brought forth at AAC), upon second read, to recommend approval for review by the Chancellor’s Cabinet and advance to the SBHE for approval/denial.
8. **Attachments:** Proposed edits are attached.

9. **Contact information:** Richard M. Rothaus, Ph.D., Vice Chancellor for Academic and Student Affairs, NDUS; Ph: 701-328-4136/email: richard.rothaus@ndus.edu.

10. **Chancellor’s Recommendation:** Approved at the February 8, 2017 Chancellor’s Cabinet meeting.