

Office of Government & Public Affairs

March 2, 2012

The Honorable Kathleen Sebelius
Secretary
Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

The Honorable Nancy-Ann E. DeParle
Assistant to the President and Deputy
Chief of Staff for Policy
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Re: Release of final Student Health Insurance Coverage regulations

Dear Secretary Sebelius and Ms. DeParle:

As you know, the proposed rules for Student Health Insurance Coverage (SHIC) were published by the Department of Health and Human Services (HHS) in the Federal Register on February 11, 2011, with comments due by April 12, 2011. Unfortunately, more than a year after their publication, the final version of these regulations has yet to be issued. This delay has already had a negative affect on colleges and universities, and further delay will detrimentally impact the awarding of financial aid to incoming students for the 2012-13 academic year.

As a result, I write today on behalf of the American Council on Education and the undersigned higher education associations to request that HHS immediately issue the final version of these regulations or announce that implementation of the regulations will be delayed until the 2013-14 academic year.

Many colleges and universities currently are negotiating contracts with insurers for their student health insurance coverage in the coming academic year. The final SHIC regulations will affect the terms and cost of such coverage. In some instances it appears insurers are using the uncertainty about the final contours of those regulations to their benefit, proposing increased premiums beyond what may be warranted under the final rules. In the absence of final regulations, it is difficult for schools to complete negotiations with their issuers.

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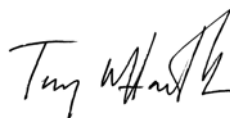
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In addition to the challenge of dealing with insurers, the delay in issuing the regulations can affect students at schools that provide health coverage to all students. For the past several months, financial aid administrators have been preparing to issue financial aid packages for incoming students for the 2012-13 academic year. To construct student budgets as accurately as possible, financial aid administrators need to know the cost of their 2012-13 insurance coverage so that they can factor it into financial aid awards where appropriate. Schools can, of course, estimate the amount required for health insurance, but doing so is likely to hurt the student. If schools find that they have underestimated the cost after committing all of their aid, students will be forced to find the additional funds from other sources. Schools that overestimate would have to revise aid packages, and possibly students would be required to repay the additional funds they received. From the perspective of both schools and students, neither result is desirable. A failure by HHS to act now could thus harm students, particularly lower income students.

Thank you for your prompt attention to this matter.

Sincerely,



Terry W. Hartle
Senior Vice President

TWH/mjm

On behalf of:

American Association of State Colleges and Universities

American Association of Community Colleges

American College Health Association

American Council on Education

Association of American Universities

Association of Public and Land-grant Universities

National Association of Student Financial Aid Administrators