



Department of Health & Human Services Proposed Regulation for Student Health Plans

Summary of Major Provisions

The Department of Health and Human Services (HHS) on Feb. 9 released a proposed [regulation](#) on student health plans at colleges and universities. Under the proposed regulation, which would take effect on Jan. 1, 2012, student health plans would be considered “individual health insurance coverage” sufficient to satisfy the individual mandate contained in the [Affordable Care Act](#) (ACA) if they meet certain conditions. Among the conditions:

- A plan would have to be provided by a college or university through a health insurance company. Unfortunately, despite our requests, the proposed regulations would not cover health insurance plans for students that are self-funded by the college or university.
- Plans would limit coverage availability only to enrolled students and their dependents.
- Plans would be prohibited from excluding students based on pre-existing conditions or health status in general, as well as from dropping coverage if a student gets sick.
- Lifetime dollar limits on essential health benefits would have to be eliminated. However, the proposed regulation provides a transition period for the removal of annual dollar limits. For policy years beginning on or after Jan. 1, 2012, but before Sept. 23, 2012, annual dollar limits would have to be at least \$100,000. Policy years beginning after that date must fully comply with the ACA annual limit restrictions for individual plans (i.e., no less than \$2 million).
- Preventive care must be provided without cost-sharing (i.e., co-payments). Significantly, schools could continue to charge a student health fee to offset the cost of operating student health clinics without violating these no-cost sharing requirements.

Other Major Issues

- The rules implicitly provide that student health plans would be priced and rated based on the student (and dependent) population being insured.
- In an effort to enhance transparency, insurers would be required to notify students enrolled in student health plans whether their plan meets the new requirements laid out under the ACA.
- HHS also is requesting comments on how other ACA protections might apply to student health plans, including the choice of medical provider and application of the new medical loss ratio rules.

The 60-day comment period on the proposed regulations began Feb. 11 upon publication in the [Federal Register](#).