

*Insuring Our Future:*  
Rewriting Health Policy at the George  
Washington University

Report by **Cara Schiavone**

March 2018



## *About the Roosevelt Institute*

**Until the rules work for every American, they're not working.** The Roosevelt Institute asks: What does a better society look like? Armed with a bold vision for the future, we push the economic and social debate forward. We believe that those at the top hold too much power and wealth, and that our economy will be stronger when that changes. Ultimately, we want our work to move the country toward a new economic and political system: one built by many for the good of all.

It will take all of us to rewrite the rules. From emerging leaders to Nobel laureate economists, we've built a network of thousands. At Roosevelt, we make influencers more thoughtful and thinkers more influential. We also celebrate—and are inspired by—those whose work embodies the values of both Franklin and Eleanor Roosevelt and carries their vision forward today.

## *About the Author*

**Cara Schiavone** was a Roosevelt Network Summer Fellow in 2017, where she researched solutions to the high cost of student health insurance at the George Washington University (GW). She is a junior at GW, studying international affairs and concentrating in international development with a minor in French. Schiavone has been a member of the Roosevelt Institute @ GW for three years, where she currently serves as Secretary of her chapter. She previously served as Policy and Advocacy Coordinator for Education. Schiavone also holds a seat on GW's Student Health Advisory Council, which was formed as a result of advocacy for the policy suggestions included in this report.

The author thanks Noah Wexler, Stephanie Gill, and Dawid Skalkowski for their comments and insight.



## *Executive Summary*

The student health insurance plan offered by the George Washington University (GW) is overpriced and puts health care out of reach for many students. Students at GW who were enrolled in the university-sponsored student health insurance plan (SHIP) for the 2017-2018 insurance policy year were charged an exorbitant premium of \$4,103 (“Plan Design and Benefits Summary: The George Washington University, 2017-18,” 2017). This price is far higher than the price for similar coverage at universities in the same geographic area and comparable universities nationwide, which indicates that the variable driving up costs is specific to the structure of GW’s SHIP. It is harmful for students who cannot afford the plan to go without health insurance coverage, and it is harmful for both students and the university to have a large population of uninsured students who are unable to seek preventative care.

To analyze the problems with GW’s student health insurance plan, a group of students analyzed plans for many other schools deemed similar to the George Washington University. Criteria included campus size, public versus private status, tuition cost, urban setting, and other key factors. The group found that GW is the only school of its kind that does not require its students to have insurance. By letting healthy students go without coverage, this opt-in structure drives up the price of SHIP, leading to both an inconsistent and decreasing number of students who are voluntarily enrolled in the plan and an increase in premiums by the insurer in order to offset the costs of fewer enrollees (Caulfield 2002).

To address rising health insurance costs at GW, the university should rewrite its student health insurance system in the following ways:

1. Transition to a supplemental health care program. Through this program, GW would mandate that all full-time students be enrolled in a health insurance plan and subsequently offer the student health insurance plan at a reduced rate to those without private insurance.
2. Subsidize the supplemental care program on a sliding scale based on student needs.
3. Form a student health advisory council (SHAC) to allow greater student input on this and other student health care concerns.

To make health care accessible to all students and to increase the affordability of health insurance for students in need of assistance, the George Washington University must change its health insurance system.

## *Introduction*

The George Washington University (GW) has a health insurance problem. For the 2017-2018 insurance policy year, annual insurance premiums for the university-sponsored student health insurance plan (SHIP) reached a five-year high of \$4,103 (“Plan Design and Benefits Summary: The George Washington University, 2017-18,” 2017). This cost is exorbitantly high in comparison to comparable plans offered by many other universities. Pointing to problems regarding the structure of GW SHIP, these costs mean that GW students are getting a bad deal compared to their peers at similar institutions. Recent attempts to overturn the Affordable Care Act (ACA) only exacerbate this problem; Republican-sponsored bills to dismantle health care in the U.S. could leave thousands of low-to-middle-income students uninsured (Alker 2016). Regardless, the George Washington University has an obligation to its students to offer an affordable health insurance option.



In this report, I outline the problems facing GW students as a result of an extremely expensive student health insurance program. In the first section of this report, I provide a history of student health insurance plan pricing at GW and offer a price comparison to similar universities. I also outline the effects these high costs have on both students and the university. Finally, I propose and analyze potential policy solutions, including a change in the enrollment mechanism, subsidization, and the creation of a student committee dedicated to health issues impacting the student body.

## ***Background: The Challenges Facing the Current Student Health Insurance System at GW***

### **THE HISTORY OF SHIP AT THE GEORGE WASHINGTON UNIVERSITY**

The George Washington University is one of a very small number of schools that charges two different premiums to mandatory and voluntary students for an identical health insurance plan. All domestic students who voluntarily choose to opt in to the university's health insurance plan are charged the voluntary rate of \$4,103 (2017-18 policy year). Meanwhile, all medical, on-campus nursing, on-campus health science, and all international students holding a J1 or F1 visa are required to carry student health insurance while they study at GW (The George Washington University, Colonial Health Center). If these students purchase private insurance that meets university-mandated standards, they may waive the requirement to purchase the university plan. Otherwise, they are automatically enrolled in GW SHIP at the mandatory rate (for the 2017-18 policy year) of \$2,651 ("Plan Design and Benefits Summary: The George Washington University, 2017-18," 2017). Graduate assistants are not required to carry health insurance, but depending on their university department, some are offered the lower, subsidized rate (The George Washington University, Colonial Health Center). Students enrolled in the voluntary plan and the mandatory plan are placed in separate risk pools, causing voluntary plan prices to rise while mandatory plan prices remain stable (See Table 1).

The George Washington University has always employed a voluntary system of student health insurance for most domestic students (Wexler et al. 2017). Throughout the years, however, medical and nursing accreditation associations have issued regulations that mandate universities to require the students studying these subjects to have health insurance through a mandatory hard-waiver-like system (International Association of Medical Colleges). The State Department has also issued similar regulations for F1 and J1 visa-holders (U.S. Department of State 2017). From the time these regulations were issued until 2012, individual departments and the International Services Office (ISO) were responsible for processing waivers and billing students for mandatory student health insurance at GW.

When GW contracted with Aetna prior to the 2012-13 academic year, the decision was made that the Colonial Health Center, GW's on-campus health center, would take over all insurance-related inquiries, waivers, and billing for both mandatory and voluntary students (Wexler et al. 2017). Each department's individual waiver process was changed to a university-wide waiver deadline in mid-September 2012. Many students, particularly international students, complained that the notification of the change, sent out in July 2012, did not provide enough notice for them to buy comparable private coverage and waive the university requirement (Gautam and Hsieh). At the time, the voluntary premium and the mandatory premium both cost \$2,199 for the 2012-13 policy year (Aetna 2012). All students for whom insurance was required were charged this rate along with the fall



semester bill unless they were able to waive this fee by showing proof of adequate private insurance (Gautam and Hsieh).

Members of the GW Student Association were outraged at the new charges and drafted a document of recommendations for future rollouts of insurance changes for the university, which has been considered in crafting the recommendations included in this report. Recommendations include earlier notice of changes, greater student input into health decisions by the university, and resources for waivers provided in more languages (Gautam and Hsieh). This document will be made available to the Student Association and the proposed student health advisory council (SHAC), and it should be referenced when negotiating further changes to the student health insurance plan.

Historic pricing data for GW SHIP is provided below. Information is only available as far back as the 2012 contracting period with Aetna, and few specifics of the plan have changed since. For definitions of most insurance terms used below, reference the glossary of this report.

**Table 1. Historic Pricing Data for SHIP at the George Washington University**

Year	Voluntary Premium	Subsidized Premium	Out-of-Pocket Limit
2012-13	\$2,199	\$2,199	\$7,500
2013-14	\$2,734	\$2,258	\$7,500
2014-15	\$3,017	\$2,450	\$6,350
2015-16	\$3,520	\$2,651	\$6,350
2016-17	\$4,103	\$2,651	\$6,350
2017-18	\$4,103	\$2,651	\$6,350

Source: "Plan and Design Benefits Summary: The George Washington University," 2012-2017.

## THE STATE OF SHIP AMONG PEER SCHOOLS

To gauge the university's progress and justify decisions, GW uses a set of other primarily urban and private universities as a basis for comparison (Roaten 2018). Table 2 below contains a full list of schools GW considers its peers, along with details about each school's student health insurance plan. Some details of the chart, specifically whether the school mandates that students carry insurance and what type of waiver system the school employs, will be discussed in greater detail later in this report. This chart clearly illustrates how unique GW is in terms of both the high cost of its student health insurance plan and the system it employs. The consistency of much lower premiums for similar coverage at almost every comparable school with a mandatory hard waiver enrollment mechanism is proof that enrollment mechanisms matter, and that changing the health insurance system at GW would bring down premiums for students.



**Table 2. Student Health Insurance Plans at Peer Schools**

School	Annual Premium	Provider and Plan	Enrollment Mechanism
<b>The George Washington University (DC)</b>	<b>\$4,103</b>	<b>Aetna Student Health</b>	<b>Voluntary</b>
Boston University (MA)	\$2,045	Aetna Student Health	Mandatory Hard Waiver (by MA state law)
Syracuse University (NY)	\$1,672	Aetna Student Health	Mandatory Hard Waiver
University of Rochester (NY)	\$2,292	Aetna Student Health	Mandatory Hard Waiver
University of Southern California (CA)	\$1,875	Aetna Student Health	Mandatory Hard Waiver
Georgetown University (DC)	\$2,680	UnitedHealthcare	Mandatory Hard Waiver
Tufts University (MA)	\$2,460	UnitedHealthcare	Mandatory Hard Waiver (by MA state law)
Tulane University (LA)	\$2,674	UnitedHealthcare	Mandatory Hard Waiver
University of Miami (FL)	\$2,813	UnitedHealthcare	Mandatory Hard Waiver
New York University (NY)	\$2,754	Consolidated Health Plans (CHP) Student	Mandatory Hard Waiver
University of Pittsburgh (PA)*	\$2,263.44 (\$188.62/month)	UPMC	Voluntary, but with mandatory wellness fee
Wake Forest University (NC)	\$2,710	BlueCross BlueShield of North Carolina	Mandatory Hard Waiver
Northeastern University (MA)	\$2,159	BlueCross BlueShield	Mandatory Hard Waiver (by MA state law)

All premiums are based on the cheapest basic plan for full-time, domestic undergraduate students for the 2017-18 enrollment period. Values do not account for spouses or dependents. Source: See official health plan brochures by school. \*Note: The University of Pittsburgh is a key example of a peer school that also offers health insurance on a voluntary basis. The University of Pittsburgh instead charges a mandatory wellness fee of \$130 per semester for all full-time students for use of the on-campus health center, while GW does not charge this fee. The health center at the University of Pittsburgh also accepts outside insurance as payment, something the Colonial Health Center at GW also does not do (“Health Insurance & Fees”). Finally, the University of Pittsburgh shares a uniquely close relationship, including shared board seats, with its insurer, the University of Pittsburgh Medical Center (UPMC) (Levine et. al. 2008). Although the schools are considered similar in many ways, the university’s connection to the UPMC insurance and hospital system makes the University of Pittsburgh a unique case that is challenging to compare to GW in terms of health insurance.



### Table 3. Illustrating the Cost Differences between SHIP at the George Washington University and Boston University (BU)

Scenario: Imagine two students in identical health situations at GW and BU, both enrolled in the university student health insurance plan offered to domestic undergraduates. In the 2017-18 policy year, both seek primary care at the on-campus health center, for which there is no copay. Both visit an in-network emergency room once, fill their generic inhaler prescription four times, their insulin prescription (generic) twelve times, and are prescribed allergy medication (preferred brand name) once. This chart demonstrates the vast differences in out-of-pocket costs incurred by students enrolled in different versions of a very similar insurance plan. For GW students who are voluntarily enrolled in GW SHIP, the difference in costs compared to BU SHIP can add up to thousands of dollars in out-of-pocket expenses.

	The George Washington University	Boston University
Annual Premium	\$4,103	\$2,045
Emergency Room Visit Copay	\$100	\$150
Generic Inhaler Prescription (x4)	(\$25 x 4) = \$100	(\$10 x 4) = \$40
Generic Insulin Prescription (x12)	(\$25 x 12) = \$300	(\$10 x 12) = \$120
Allergy Medication, Preferred Brand Name (x1)	\$35	\$40
<b>Total</b>	<b>\$4,638</b>	<b>\$2,395</b>
Provider	Aetna	Aetna
Enrollment Mechanism	Voluntary	Mandatory Hard Waiver

Source: “Plan and Design Benefits Summary: The George Washington University,” 2017-2018 and “Plan Design and Benefits Summary: Boston University,” 2017-2018.

## CHALLENGES FOR STUDENTS

As it currently stands at the George Washington University, disparities in insurance coverage deeply impact access, cost, and quality of care for GW students. Some students arrive at GW with very comprehensive coverage through their parents’ insurance. These students have access to a network of primary care doctors and specialists in the District of Columbia and often choose to visit these doctors rather than the Colonial Health Center because they receive lower copays at these locations. When sent to the emergency room or faced with unexpected medical concerns, these students can access in-network care quickly and pay relatively little for that care. Changes to the Affordable Care Act or GW’s student health insurance plan will have little to no direct impact on these students.

Other students are insured through private insurers with small networks, state-specific ACA exchange plans, or Medicaid, which means that although these students have insurance, it can be difficult or impossible to access care during the nine months of the year students spend at GW because many do not have access to doctors in D.C. These students tend to schedule non-urgent appointments around holidays and use the Colonial Health Center for unexpected illnesses. When sent to the emergency room or faced with unexpected medical concerns, these students either pay significantly more in out-of-network fees or attempt to self-medicate until they can access care at home. The further away from D.C. these students live, the more difficult this can be. Changes to the Affordable Care Act may profoundly impact these students’ ability to access care, likely limiting it even more than it currently is (Alker 2016). Within this group, the outcome of a change in GW’s SHIP enrollment mechanism would impact each student differently. If GW could offer a plan cheaper than these



students' state-specific plans, many could benefit from the ability to enroll and access affordable care closer to school.

A third set of students is already insured through GW's student health insurance plan. These students are either mandated to purchase this plan or voluntarily opt-in because they need or want insurance that covers them near GW. If GW were to transition to a different enrollment mechanism to bring down costs, these students would benefit from lower, less volatile premiums with relatively few changes to the care they already access (Wexler et al. 2017).

Finally, some students are simply uninsured. For many, this is a financial necessity and for some it is partially a gamble based on the belief that young people are healthier and don't need insurance (Roper 2010). While these students would find themselves faced with additional costs if GW were to transition to a different enrollment mechanism, they would receive comprehensive insurance coverage and protection from unexpected costs. Additionally, if cost is a key concern for these students, subsidizing the plan on a sliding scale could help to ease this concern and protect these students from debt or bankruptcy in the case of an illness (Roper 2010).

For uninsured students, the threat of debt and bankruptcy looms over even small health concerns. A few ignored symptoms or a simple fall resulting in a broken bone can end up costing uninsured students far more than the annual premium for insurance would have cost (Roper 2010). Without access to screenings and regular checkups, small problems are even more likely to spiral into much larger ones for an already cash-strapped group. It is GW's responsibility to offer a reasonably priced plan to protect these students and many others from illness and personal financial ruin by making health insurance mandatory with a hard waiver for all students. Transitioning to a better health insurance system is crucial to level the playing field and give all students the ability to access quality health care.

## **CHALLENGES FOR THE UNIVERSITY**

Universities are responsible for protecting investments in the student body, thus it is important to maintain good public health on campus. The absence of widespread health insurance at GW impacts the university by increasing the likelihood of health crises caused by a lack of access to preventative care, limited funding for the on-campus health center, and a potential loss of tuition dollars from uninsured students who incur health-related debts while enrolled. Examining the ethics of mandatory student health insurance coverage, Larry D. Roper (2010) argues that there is a strong relationship between the health of individuals and the health of a campus community. Uninsured students set a university back on its public health goals. Students without insurance or access to care do not seek preventative measures like annual doctor's appointments and sexually transmitted infection (STI) screenings. They also often try to "wait and see" when they do have symptoms, hoping to avoid the expense of a doctor's visit or a prescription that is not absolutely necessary (Roper 2010). On a college campus, students live in extremely close quarters and have a great deal of close contact in classrooms, at parties, and in sexual encounters. Even among healthy college students, disease can spread quickly. Thus, it is in the best interest of the university to provide students with the means to treat illnesses and get screenings as recommended to protect public health (Caulfield 2010).





A lack of access to preventative care can create hazards on campus, leading to greater expenses for the university to track and solve outbreaks and, in certain circumstances, negative press reaching key donors and prospective students. Psychological health is of great concern to universities today, particularly the George Washington University. GW offers six free visits to campus mental health services per semester per student. Students who exhaust these visits or are prescribed medication as a part of their therapy may be less likely to continue therapy or continue medication if they are uninsured or become uninsured due to prohibitively high costs (Roper 2010). With a mandatory hard waiver, GW could guarantee that every student has access to adequate mental health care and improve the care the university is able to offer. In extreme cases, untreated psychological issues can lead students to harm themselves or others. A campus community with access to mental health resources is healthier for everyone (Roper 2010).

Limited funding for the Colonial Health Center can lead to staff shortages, lower-quality care for students, and complaints from students and families. GW does not charge a health fee as a part of tuition like many comparable schools do. Instead, the Colonial Health Center employs a required \$35 copay charged to all GW students who are not enrolled in GW's student health insurance plan (Wexler et al. 2017). Student health insurance plans allow university health centers to have greater funding because enrolled students are not charged a copayment at the health center. Rather, health centers can bill for appointments more like a traditional physician's office and charge accordingly for services that may exceed the \$35 copay flat rate.

In the most extreme cases, medical expenses incurred by uninsured students can drive them into bankruptcy and force them to drop out of school. In such cases, GW loses future tuition dollars from these students, potential future alumni donations, and the investment the university put into admitting them in the first place (Roper 2010). While these cases are few and far between, GW should prioritize student health to avoid drops in enrollment.

The problem of overpriced insurance and inadequate insurance enrollments ultimately harms students, although the university can experience some harm in the form of decreased public health on campus, limited funding for the on-campus health center, and the potential loss of tuition dollars from students forced to drop out due to health-related debts. The same problems that impact the university due to a lack of access to health care for all students can impact the student body even more severely. It is the responsibility of the university to structure its health insurance system in a way that affords the best care to students for the lowest possible price (American College Health Association 2013).

## *Policy Proposals*

The George Washington University must make a change to its student health insurance plan to bring premiums down and ensure coverage for uninsured students. A group of students collectively known as "Care for GW" analyzed the health insurance plans of all of GW's market basket schools, as well as many other universities, to determine the most effective solutions to GW's current problem of high health insurance costs. The analysis found one key difference between GW's plan and almost every other school: The George Washington University does not mandate that all enrolled students carry health insurance. The following actions are recommended to bring down insurance premiums, guarantee that all GW students carry health insurance, and give students a voice in campus health care.



## **1. TRANSITION TO A SUPPLEMENTAL CARE PROGRAM AT GW**

In order to bring down health insurance costs, the George Washington University must enroll a greater number of healthy students in its student health insurance plan. A supplemental care program, whereby uninsured students are required to purchase either GW SHIP or private insurance coverage as a condition of enrollment, is necessary to ensure that students without private insurance are enrolled in a health insurance plan. This program, also known as a “mandatory hard waiver” enrollment mechanism, would allow insured students to waive the university plan requirement. Seeking a greater number of insured students will benefit both students and the university by improving public health and student financial security. As more healthy people pay into a plan but do not access a large amount of care, insurance costs decrease (Caulfield 2002).

## **2. SUBSIDIZE PREMIUMS ON A SLIDING SCALE, USING ESTIMATED FAMILY CONTRIBUTIONS FROM THE FAFSA TO DETERMINE NEED**

To prevent the mandatory hard waiver system from disproportionately impacting low-income students, the university must provide subsidies for the plan on a sliding scale. We do not recommend that GW transition to a system of mandatory hard waiver health insurance without a subsidy in place.

## **3. FORM A STUDENT HEALTH ADVISORY COUNCIL TO GIVE STUDENTS A VOICE IN HEALTH DECISIONS**

The Student Association must form a committee of Student Association members and students who are passionate about health care, referred to as the Student Health Advisory Council (SHAC) for the purposes of this report. At the time of this report’s publication, the GW Student Association has officially formed SHAC, but its structure and role are still under development (Harris 2017). The function of the group and its role in future health insurance decisions are being developed. Going into the health insurance negotiation process, this committee should meet on a monthly or bi-monthly basis with officials from the Colonial Health Center—GW’s on-campus student health services—to discuss student concerns and gauge student input before decisions are made. SHAC should then continue these regular meetings after the negotiation process ends to address additional student concerns about on-campus health. The 2012 GW Student Association report called for a similar student committee following the latest major changes to GW’s student health insurance plan (Gautam and Hsieh).

## *Policy Analysis*

### **WHY A SUPPLEMENTAL CARE PLAN?**

The George Washington University has several options for increasing enrollment in its student health insurance plan and bringing premiums down, all of which involve some form of a mandate on insurance for full-time students. A supplemental care plan, known in more technical terms as a mandatory hard waiver enrollment mechanism, would most effectively solve the current problem. Most universities nationwide—including all other universities in GW’s market basket—use this enrollment mechanism, which mandates that all students carry student health insurance while enrolled but allows students to waive the requirement if their private insurance meets certain standards agreed upon by the university and its insurance provider (Caulfield 2002). This system resembles GW’s current requirements for international students. By expanding the pool to include the entire



student body, this system would spread costs and benefits more evenly than the current system. Schools that employ this method typically offer SHIP with lower premiums because risk is more spread out among the student population (Caulfield 2002). GW must transition to a mandatory hard waiver enrollment mechanism for all full-time undergraduates to bring down health insurance costs for all students.

When deciding on waiver type, universities can require either a hard waiver or a soft waiver. A hard waiver requires students who wish to waive the university plan to submit details about their private insurance, which is then compared against requirements agreed upon by the university and its insurer to determine whether the student has adequate private coverage to waive the university plan. A soft waiver simply requires students who wish to waive the university plan to submit details proving that they carry private insurance, but this plan is not measured against any standards (Caulfield 2002). From an insurance point of view, a mandatory hard waiver allows universities and insurance companies to have greater confidence that students have adequate coverage. This greater confidence generally allows for a lower premium to be negotiated. Student health insurance waivers and mandatory plans are far more common today than they have been in the past, but they are far from a new concept. In 1991, the *Journal of American College Health* published a report titled, “The Adequacy of College Health Insurance Coverage,” which surveyed 100 colleges and universities nationwide about their student health insurance plans. The report found that 4 in 10 schools required proof of insurance coverage, essentially a mandatory soft waiver, and found markedly higher rates of participation in student health insurance plans when the school employed either a mandatory hard waiver or mandatory soft waiver mechanism (McManus 1991).

Mandatory student health insurance systems help insurers better plan their expenses and predict the types of claims that will be made within a risk pool to price the plan accurately in a policy year. When insurers are faced with a population of students where insurance is voluntary, prices are often driven up by the threat insurers face of uninsured students getting sick and choosing to buy the student health insurance plan unexpectedly when they know they will be utilizing it heavily (Caulfield 2002). This drives costs up for insurers and causes premiums to rapidly increase for the following policy year to make up for losses, perpetuating the trend of even higher costs and even fewer insured students. Thus, it is also in the interest of insurers to mandate insurance with some form of waiver, which gives insurers and universities some information on students’ insurance status and allows them to better predict claims each policy year. A representative of the GW Colonial Health Center suggests that a mandatory hard waiver will have the greatest impact on driving down premiums by allowing insurers and the university security in knowing that all students are covered by adequate insurance (Wexler et al. 2017).

#### **Table 4. Illustrating the Cost Differences between Voluntary SHIP and Mandatory Hard Waiver SHIP at the George Washington University**

The table below repeats the scenario outlined in Table 3, which compares out-of-pocket costs incurred by students enrolled in SHIP during the 2017-18 insurance policy year who access identical care. Table 3 examined the differences between Voluntary SHIP at the George Washington University and Mandatory Hard Waiver SHIP at Boston University. This table outlines the differences in out-of-pocket costs incurred by two hypothetical GW students, one enrolled in the voluntary version of the plan and the other enrolled in the mandatory hard waiver version (required of all medical, on-campus nursing, on-campus health science, and all international students holding a J1 or F1 visa). In the 2017-18 policy year, both seek primary care at the on-campus health center, for which there is no copay. Both visit an in-network emergency room once, fill their



generic inhaler prescription four times, their insulin prescription (generic) twelve times, and are prescribed allergy medication (preferred brand name) once. This chart demonstrates the vast differences in out-of-pocket costs incurred by students enrolled in an identical insurance plan at the same university, the only difference being the enrollment mechanism.

	<b>The George Washington University</b>	<b>The George Washington University (International Student/Mandatory Plan)</b>
Annual Premium	\$4,103	\$2,651
Emergency Room Visit Copay	\$100	\$100
Generic Inhaler Prescription (x4)	(\$25 x 4) = \$100	(\$25 x 4) = \$100
Generic Insulin Prescription (x12)	(\$25 x 12) = \$300	(\$25 x 12) = \$300
Allergy Medication, Tier 2 (x1)	\$35	\$35
<b>Total</b>	<b>\$4,638</b>	<b>\$3,186</b>
Provider	Aetna	Aetna
Enrollment Mechanism	Voluntary	Mandatory Hard Waiver

**Source: "Plan Design and Benefits Summary: The George Washington University, 2017-18," 2017.**

The George Washington University already has a strong test case to prove that a transition to a mandatory hard waiver enrollment mechanism will bring premiums down. As explained previously, some students at GW, including international students, are already required to carry insurance while enrolled, and those who wish to waive the requirement must submit details about their private insurance subject to a hard waiver (George Washington University, Colonial Health Center). These differences in enrollment mechanism place mandatory and voluntarily enrolled students at GW into different risk pools. One risk pool, for mandatorily enrolled students, currently pays a \$2,651 premium, which has not changed since 2015. The voluntarily enrolled students pay the higher \$4,013 premium, which has steadily risen since GW contracted with Aetna in 2012. Table 4 examines the hypothetical differences in out-of-pocket costs two GW students might pay for the same insurance, largely due to the difference in enrollment mechanism. These plans began in 2012, costing an identical amount: \$2,199 (Aetna 2012). The price increases shown in Table 1 prove the benefits of mandatory hard waiver enrollment, which allows for predictable claims and a larger and more consistent pool of enrolled students.

Perhaps most importantly, the American College Health Association (2013) recommends in its Standards for student health insurance coverage that the "institution, as a condition of enrollment, requires students to provide evidence that they have health insurance coverage" (p. 1). The Standards then go on to outline criteria for adequate coverage for student health insurance plans, many of which the George Washington University already meets. What GW does not guarantee is laid out in part (a) of Standard VI: that the student health insurance program "provides desired benefits at the least possible cost" (p. 2). The leading experts in college health have recommended mandatory hard waiver systems since at least 2013 when the standards were published, and it's time that GW follows suit.



The transition to a mandatory hard waiver enrollment mechanism could occur in one of two ways. First, the university could simply make the transition with ample notice to students over one year, alerting students to the change and transitioning all students to the new mechanism in a single year. This option would bring costs down immediately but might serve as a shock to currently enrolled students who did not agree to the potential additional charge when they enrolled. Alternatively, GW could make the transition over the course of four years, so that no students currently enrolled are subjected to an additional fee. This option would bring costs down more slowly, disproportionately impacting incoming students for the first few years of the rollout. While this option would be more popular among current students, it would also drag out the process of lowering the cost of SHIP—ultimately postponing the end goal of this policy change and further impacting the lowest-income students in the next few classes to enroll at GW (Wexler et al. 2017). A transition over a single year, with adequate notice and resources provided to students and an extended window to submit waivers, is thus the recommended course of action.

## **WHY SUBSIDIZATION?**

In addition to changing the SHIP enrollment mechanism, GW should subsidize SHIP to meet student need and ease the burden of this additional cost on students and families. This goal could be met using a new scholarship or grant fund, or GW could alter its cost of attendance calculation to include SHIP costs. We do not recommend that GW transition to a fully mandatory plan where all students are charged for SHIP regardless of their private insurance because this option would be incredibly unpopular and unnecessarily expensive for the thousands of students who already carry private insurance. Thus, it is more complicated for SHIP to be included in the cost of attendance calculation the university uses to determine financial aid because it is not a fee imposed upon all students equally. Some schools, like the College of William and Mary, offer options to have the cost of health insurance added the cost of attendance calculation so aid can be used towards covering the student health insurance plan. Despite its complicated nature, this option is not out of the question for GW (The College of William and Mary).

Currently, GW offers only one scholarship that can be used for medical expenses: the Ron Howard Student Assistance Fund. This scholarship is designed for emergency expenses, which may include medical emergencies, such as severe injuries and intensive treatments (The George Washington University, Division of Student Affairs). The scholarship may also be used for other, non-medical emergency expenses. Students are strongly discouraged from applying for the fund more than once, and the fund has only served approximately 250 students in the 20 years since its creation in 1997 (Wexler et al. 2017). This option is clearly important but does not have the capacity to help the number of students who might lose insurance coverage if the ACA were to be overturned or to subsidize premiums.

Subsidization is particularly important during the rollout of this policy change, as premiums are more likely to fluctuate and students will be adjusting to the new requirements. Subsidies should be negotiated within the university alongside negotiations to change the enrollment mechanism. Luckily, GW already has a model for subsidization in the form of the subsidies it provides to graduate students enrolling in university SHIP. Many colleges and universities subsidize their graduate student health insurance plan, often because graduate students are older and more likely to have families and be perceived as “needing” coverage more than young college students. An expanded subsidy would mimic the Affordable Care Act by using an individual mandate to lower premiums organically and a subsidy to smooth the transition and the inequalities still inherent in the private insurance system. In addition to this subsidization, organically decreasing premiums through the



mandatory hard waiver mechanism would provide a healthy balance between market forces and university subsidization, thus lowering the burden on students and the university and protecting students at GW from unexpected medical expenses. Choosing the best option for subsidization should be of top priority for the proposed student health advisory council, examined in the following section.

## **WHY FORM A COMMITTEE?**

In Standard V of the May 2013 Standards, the American College Health Association recommends that student consumers, as well as student health staff and experts, be involved in the process of contracting with an insurer and determining a plan's success. Other universities, like American University, have implemented a student health advisory council (SHAC) with four members from the student body at large and six from student government, including students of all levels, such as graduate students and law students (American University, Student Health Center). Given the proximity of American University to GW and the success of American University's health program, GW could imitate the committee structure at American for the greatest success.

Ideally, this committee would meet twice monthly, once privately and once with representatives of the Colonial Health Center. During particularly important periods, like the start of the semester and throughout the health insurance negotiations process that occurs during the spring, meetings should occur more often. Applications to the committee should be accepted and representatives should be chosen through established Student Association procedure following the election of new Student Association leaders in the spring semester. This would allow for a smooth transition to occur during the summer, so the committee could start the new academic year on the right foot. In terms of health insurance negotiations, it should be the role of this committee to report back to the Student Association and the student body about the actions and goals of the Colonial Health Center. Updates should be sent out to the student body using the Student Association listserv and its newsletters. It should also be the role of this committee to maintain an open platform, like an online form, to collect student input on campus health and bring these concerns to the Colonial Health Center. Finally, this committee should issue an annual student health survey at the start of the fall semester. A survey would allow for student input on potential changes and allow SHAC to collect some demographic data regarding student health.

A student health advisory council comes at no cost to the university and is beneficial to both the students and the Colonial Health Center. A dedicated committee would amplify student voices and concerns and allow the Colonial Health Center to prioritize and better target student needs. This change is also the easiest to implement and would be possible through a simple action made by the president of the GW Student Association to establish such a committee and appoint Student Association members to SHAC positions. The Colonial Health Center would also need to agree to meet with this group. The Student Association and the Health Center would need to work together to gather and read applications for student positions on this committee. At the time of publication of this paper, the Student Association has already moved to form this committee, but the structure and role of SHAC are still under development (Harris 2017).



## *Conclusion*

Some of the biggest problems facing health insurance at the George Washington University are high annual premiums for the university plan, the existence of an unknown number of uninsured or underinsured students on campus, and a lack of student representation in campus health decisions. To solve these problems, we propose the following three measures:

1. Transition to a supplemental health care program. Through this program, GW would mandate that all full-time students be enrolled in a health insurance plan and subsequently offer the student health insurance plan at a reduced rate to those without private insurance.
2. Subsidize the supplemental care program on a sliding scale based on student needs.
3. Form a student health advisory council (SHAC) to allow greater student input on this and other student health care concerns.

Of course, concerns still exist. If this plan is implemented without subsidies for low-income enrollees, the plan will become burdensome for the students who need it most. If the waiver is not sensitive to the particular financial needs of students on Medicaid, this transition could further burden an already small and potentially financially burdened population of Medicaid recipients who attend GW. It is important that the suggestions in this report are taken in full and implemented in a fashion sensitive to the needs of GW students. Questions still exist regarding the best structure for the supplemental care program, the specifics of the subsidy, and how to handle students who receive Medicaid—all of which are beyond the scope of this report. The insight given by the student health advisory council will be imperative in the transition to mandatory hard waiver enrollment with a subsidy at the George Washington University. What is unquestionable, however, is that students at the George Washington University deserve affordable and accessible health insurance that balances the university's responsibility to protect students with students' freedom to make their own health decisions.





# Glossary

**COINSURANCE:** The portion of eligible expenses that enrollees must pay, often after reaching a deductible. For example, your health insurance plan may cover 80 percent of covered medical charges, and you would be responsible for the remaining 20 percent. This is not generally applicable for services where a copay is charged (“Coinsurance—HealthCare.Gov Glossary”).

**COPAYMENT (often shortened to copay):** The amount the enrollee pays towards covered services, generally a fixed dollar amount between \$10 and \$25 (“Copayment—HealthCare.Gov Glossary”).

**DEATH SPIRAL:** A mechanism by which an unusually high number of expensive claims drives up premiums on a health insurance plan or in a particular risk pool, leading healthy individuals to drop off of the plan. As healthy individuals drop the plan, prices rise even more and the process repeats itself until the plan is no longer competitive or viable (Cutler and Zeckhauser).

**DEDUCTIBLE:** The amount one must pay out-of-pocket before your insurance plan starts to pay for covered services. Some routine services are exempt from the deductible, meaning the insurance company covers these services even before the policyholder has reached their deductible, but plans vary (“Deductible—HealthCare.Gov Glossary”).

**HEALTH INSURANCE MARKETPLACE:** An online marketplace established as part of the Affordable Care Act for Americans enrolling in health insurance individually. Many plans on the exchange were subsidized to incentivize enrollees to use the new system and insurers to offer plans on the marketplace. This system replaced the previous one whereby individuals had to research plans by contacting each insurer individually and finding the right plan and rate (“Health Insurance Marketplace—HealthCare.Gov Glossary”).

**IN-NETWORK:** A group of health care providers who participate in a specific plan. When receiving care from in-network providers, enrollees are only responsible for a copayment (“Preferred Provider Organization (PPO)—HealthCare.Gov Glossary”).

**MANDATORY HARD WAIVER:** An enrollment mechanism that requires all students to carry health insurance while enrolled, but allows students to waive the requirement if their private insurance meets certain standards agreed upon by the university and its insurance provider. In order to have coverage waived, students must submit details regarding their private insurance to the university prior to the enrollment period. If they do not submit details or if it is determined that their coverage does not meet the stated standards, students are automatically charged for the university student health insurance plan (Caulfield 2002).

**MANDATORY SOFT WAIVER:** An enrollment mechanism that requires all students to carry health insurance while enrolled but allows students to waive the requirement by simply stating that they have private health insurance coverage. Some schools require students to simply check a box acknowledging that they have private coverage, while others require students to submit details so that the university can be sure students are telling the truth. If they fail to complete the waiver, students are automatically charged for the university student health insurance plan (Caulfield 2002).

**MANDATORY STUDENT HEALTH INSURANCE:** An enrollment mechanism that requires all students to carry the student health insurance plan while enrolled. There is no opportunity to waive the plan, and all students are charged for the plan on their bill for the semester (Caulfield 2002).





**METALLIC RATING:** Affordable Care Act terminology that refers to the portion of health care expenses that an insurance plan will cover. Plans under the ACA cover the same basic needs, so ratings create a variety of price points for individuals to comparison-shop (“Understanding Marketplace health insurance categories”).

The ratings are as follows:

Plan Category	Plan Pays	You Pay	Price Level
Bronze	60%	40%	Low
Silver	70%	30%	Medium
Gold	80%	20%	High
Platinum	90%	10%	Highest

**OUT-OF-NETWORK:** Health care providers who are not part of a plan’s network. If an enrollee chooses to obtain services from an out-of-network provider, there is generally a higher deductible. This is where coinsurance becomes important, as enrollees are generally responsible for a higher proportion of costs (“Preferred Provider Organization (PPO)—HealthCare.Gov Glossary”).

**OUT-OF-POCKET MAXIMUM/LIMIT:** A set dollar amount after which, when reached through deductibles and coinsurance, the health plan will cover 100 percent of eligible charges for the rest of the plan year (“Out-of-Pocket maximum/Limit—HealthCare.Gov Glossary”).

**PREFERRED PROVIDER ORGANIZATION (PPO):** A type of insurance that allows enrollees to visit both in-network and out-of-network providers although they will be charged more for services obtained out-of-network. Enrollees do not need a referral from another doctor to seek care (“Preferred Provider Organization (PPO)—HealthCare.Gov Glossary”).

**PREMIUM:** The amount paid by a policyholder to enroll in an insurance plan (annually or monthly) (“Premium—HealthCare.Gov Glossary”).

**RISK POOL:** A method of organizing insurance enrollees where all individuals paying into a particular plan or tier of coverage at an institution or with an employer are pooled and their health insurance expenses are averaged to determine premiums for the group (“Risk Pooling: How Health Insurance in the Individual Market Works”).



# Bibliography

- Anon. "About the University Plans." University of Pittsburgh. Retrieved February 23, 2018 (<http://www2.hr.pitt.edu/benefits/pdf/UndergradStudentHealthcare/mobile/index.html#p=2>).
- Anon. "Coinsurance—HealthCare.Gov Glossary." HealthCare.gov. Retrieved March 24, 2017 (<https://www.healthcare.gov/glossary/co-insurance/>).
- Anon. "Copayment—HealthCare.Gov Glossary." HealthCare.gov. Retrieved March 24, 2017 (<https://www.healthcare.gov/glossary/co-payment/>).
- Anon. "Deductible—HealthCare.Gov Glossary." HealthCare.gov. Retrieved March 24, 2017 (<https://www.healthcare.gov/glossary/deductible/>).
- Anon. "Emergency Funds." The George Washington University, Division of Student Affairs. Retrieved April 30, 2017 (<https://students.gwu.edu/emergency-funds>).
- Anon. "Financial Aid for Health Insurance Coverage." The College of William and Mary. Retrieved September 10, 2017 (<http://www.wm.edu/admission/financialaid/howto/finaidhealth/index.php>).
- Anon. "Health Insurance & Fees." Student Affairs. Retrieved February 23, 2018 (<https://www.studentaffairs.pitt.edu/shs/insurance/>).
- Anon. "Health Insurance Marketplace—HealthCare.Gov Glossary." HealthCare.gov. Retrieved March 24, 2017 (<https://www.healthcare.gov/glossary/health-insurance-marketplace-glossary/>).
- Anon. "LCME Accreditation Standards." International Association of Medical Colleges. Retrieved August 12, 2017 (<http://www.iaomc.org/lcme.htm>).
- Anon. "Out-of-Pocket maximum/Limit—HealthCare.Gov Glossary." HealthCare.gov. Retrieved March 24, 2017 (<https://www.healthcare.gov/glossary/out-of-pocket-maximum-limit/>).
- Anon. "Preferred Provider Organization (PPO)—HealthCare.Gov Glossary." HealthCare.gov. Retrieved March 24, 2017 (<https://www.healthcare.gov/glossary/preferred-provider-organization-ppo/>).
- Anon. "Premium—HealthCare.Gov Glossary." HealthCare.gov. Retrieved March 24, 2017 (<https://www.healthcare.gov/glossary/premium/>).
- Anon. "Risk Pooling: How Health Insurance in the Individual Market Works." American Academy of Actuaries. Retrieved March 25, 2017 (<https://www.actuary.org/content/risk-pooling-how-health-insurance-individual-market-works-0>).
- Anon. "Student Health Advisory Committee." American University, Student Health Center. Retrieved August 3, 2017 (<http://www.american.edu/ocl/healthcenter/SHAC.cfm>).
- Anon. "Student Health Insurance." The George Washington University, Colonial Health Center. Retrieved June 15, 2017 (<https://healthcenter.gwu.edu/student-health-insurance>).
- Anon. "Understanding Marketplace Health Insurance Categories." HealthCare.gov. Retrieved March 24, 2017 (<https://www.healthcare.gov/choose-a-plan/plans-categories/>).
- Anon. 2013. "ACHA Guidelines: Standards for Student Health Insurance Coverage." American College Health Association. Retrieved June 4, 2017 ([https://www.acha.org/documents/resources/guidelines/ACHA\\_Standards\\_SHI\\_Benefits\\_Programs\\_May2013.pdf](https://www.acha.org/documents/resources/guidelines/ACHA_Standards_SHI_Benefits_Programs_May2013.pdf)).
- Anon. 2016. "Economic Diversity: National Universities." *U.S. News*. Retrieved July 20, 2017 (<https://www.usnews.com/best-colleges/rankings/national-universities/economic-diversity>).
- Anon. 2017. "How to Administer a Program: Insurance." U.S. Department of State. Retrieved August 25, 2017 (<https://j1visa.state.gov/sponsors/how-to-administer-a-program/>).
- Aetna. 2017. "Plan Design and Benefits Summary: Boston University, 2017-18." Aetna. Retrieved February 22, 2018 (<https://www.aetnastudenthealth.com/schools/bu/pdbs1718.pdf>).
- Aetna. 2017. "Plan Design and Benefits Summary: The George Washington University, 2017-18." Aetna. Retrieved July 20, 2017 (<https://www.aetnastudenthealth.com/schools/gwu/pdbs1718.pdf>).
- Aetna. 2017. "Plan Design and Benefits Summary: Syracuse University, 2017-18." Aetna. Retrieved February 22, 2018 (<http://healthinsurance.syr.edu/wp-content/uploads/sites/16/2016/02/2017-18-Plan-Design-and->



[Benefits-Summary.pdf](#)).

- Aetna. 2017. "Plan Design and Benefits Summary: University of Southern California, 2017-18." Aetna. Retrieved February 22, 2018 (<https://engemannshc.usc.edu/files/2012/12/USC-AETNA-BENEFIT-SUMMARY-2017-2018.pdf>).
- Aetna. 2016. "Plan Design and Benefits Summary: The George Washington University, 2016-17." Aetna. Retrieved March 20, 2017 (<https://www.aetnastudenthealth.com/schools/gwu/pdbs1617.pdf>).
- Aetna. 2015. "Plan Design and Benefits Summary: The George Washington University, 2015-16." Aetna.
- Aetna. 2014. "Plan Design and Benefits Summary: The George Washington University, 2014-15." Aetna.
- Aetna. 2013. "Plan Design and Benefits Summary: The George Washington University, 2013-14." Aetna.
- Aetna. 2012. "Plan Design and Benefits Summary: The George Washington University, 2012-13." Aetna.
- Alker, Joan. 2016. "What Does Repeal of the Affordable Care Act Mean for Children and Families?" Georgetown University Health Policy Institute: Center for Children and Families. Retrieved August 15, 2017 (<https://ccf.georgetown.edu/2016/11/18/what-does-repeal-of-the-affordable-care-act-mean-for-children-and-families/>).
- BlueCross BlueShield. 2017. "Summary of Benefits: Northeastern University Student Health Plan." BlueCross BlueShield. Retrieved February 22, 2018 (<http://www.northeastern.edu/nushp/wp-content/uploads/2017/10/NUSHP-Summary-of-Benefits-17-18.pdf>).
- BlueCross BlueShield of North Carolina. 2017. "Benefit Booklet for Students of Wake Forest University for Student Blue." BlueCross BlueShield of North Carolina. Retrieved February 23, 2018 ([http://studentbluenc.com/assets/studentblue/pdfs/wfu/wfu\\_2017\\_2018\\_member\\_guide.pdf](http://studentbluenc.com/assets/studentblue/pdfs/wfu/wfu_2017_2018_member_guide.pdf)).
- Caulfield, Stephen C. 2002. "Student Health Insurance." *The History and Practice of College Health*. Lexington, KY: The University Press of Kentucky, 328-357.
- Cutler, David M and Zeckhauser, Richard J. "Adverse Selection in Health Insurance." *Forum for Health Economics & Policy* 1(1).
- Gautam, Shashwat and Hsieh, Shirley. Unpublished. "Mandatory Student Health Insurance Review (2012-2013)." The George Washington Student Association.
- Harris, Cayla. 2017. "Student Health Council to be Renegotiated after CHC Leadership Change." *The GW Hatchet*, October 26, 2017. Retrieved December 3, 2018 (<https://www.gwhatchet.com/2017/10/26/student-health-council-to-be-renegotiated-after-chc-leadership-change/>).
- Levine, Arthur S. et al. 2008. "The Relationship Between the University of Pittsburgh School of Medicine and the University of Pittsburgh Medical Center—A Profile in Synergy." *Academic Medicine* 83(9):816–26.
- McManus, Margaret. 1991. "The Adequacy of College Health Insurance Coverage." *Journal of American College Health*, 39(4), 177-185.
- NYU Student Health Center. 2017. "2017-2018 Guide: NYU Student Health Insurance." NYU Student Health Center. Retrieved February 22, 2018 (<https://www.nyu.edu/content/dam/nyu/studentHealthServices/documents/PDFs/student-health-insurance/2017-2018%20WSQ%20Insurance%20Guide%20Book.pdf>).
- Reed, Matt. 2017. "'I Need This Class to Stay on My Parents' Health Insurance.'" *Slate*, January 25, 2017. Retrieved July 8, 2017 ([http://www.slate.com/articles/life/inside\\_higher\\_ed/2017/01/before\\_obamacare\\_some\\_took\\_college\\_classes\\_just\\_to\\_stay\\_on\\_their\\_parents.html](http://www.slate.com/articles/life/inside_higher_ed/2017/01/before_obamacare_some_took_college_classes_just_to_stay_on_their_parents.html)).
- Roaten, Meredith. 2018. "GW Shakes up Peer Schools as LeBlanc Begins Implementing New Vision." *The GW Hatchet*, February 15. Retrieved February 22, 2018 (<https://www.gwhatchet.com/2018/02/15/gw-shakes-up-peer-schools-as-leblanc-begins-implementing-new-vision/>).
- Roper, Larry D. 2010. "Ethics of Mandatory Student Health Insurance." *Journal of College and Character* 11(2):1–2. Retrieved July 10, 2017 (<http://www.tandfonline.com/doi/abs/10.2202/1940-1639.1253>).
- UnitedHealthcare Insurance Company. 2017. "Blanket Student Accident and Sickness Plan, Certificate of Coverage, Premier Plan." UnitedHealthcare Insurance Company. Retrieved February 23, 2018 (<https://georgetown.app.box.com/s/riovbbi1jh4dj4n8q7ph>).
- UnitedHealthcare Insurance Company. 2017. "2017-2018 Student Injury and Sickness Plan for Tufts University-



- Medford Campus.” UnitedHealthcare Insurance Company. Retrieved February 22, 2018 (<https://www.uhcsr.com/uhcsrbrochures/Public/BenefitSummaryFlyers/2017-202764-1%20Summary%20Brochure.pdf>).
- UnitedHealthcare Insurance Company. 2017. “2017-2018 Student Injury and Sickness Plan for Tulane University.” UnitedHealthcare Insurance Company. Retrieved February 22, 2018 (<https://tulane.app.box.com/s/xofnoiojn1oez347m4w1tn6xc5q9fobj>).
- UnitedHealthcare Insurance Company. 2017. “Student Health Plan: University of Miami.” UnitedHealthcare Insurance Company. Retrieved February 22, 2018 ([https://studenthealth.studentaffairs.miami.edu/\\_assets/pdf/2017\\_2018\\_UniversityofMiamiBrochure\\_Student.pdf](https://studenthealth.studentaffairs.miami.edu/_assets/pdf/2017_2018_UniversityofMiamiBrochure_Student.pdf)).
- University of Rochester. 2017. “University of Rochester Student Health Insurance Plan (SHIP) Schedule of Benefits, Plan Year 2017-2018.” Aetna. Retrieved February 23, 2018 (<https://www.aetnastudenthealth.com/schools/rochester/scheduleofbenefits1718.pdf>).
- Weinberg, Cory. 2013. “So Which Universities Are 'Similar' to GW?” *The GW Hatchet*, October 7. Retrieved June 5, 2017 (<https://www.gwhatchet.com/2013/10/07/so-which-universities-are-similar-to-gw/>).
- Wexler, Noah et al. “A Background Interview on SHIP at GW with a Representative of the Colonial Health Center.” April 19, 2017.

