

SUBJECT: Requiring student health centers to file claims with private health plans

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 6 ayes — Branch, Castro, Alonzo, Berman, Cohen, D. Howard

1 nay — Rose

2 absent — McCall, Patrick

WITNESSES: For — None

Against — Brett Baker; Asha McElfish

On — Emilio Carranco

BACKGROUND: Under Education Code, sec. 51.953, revenue received from a health benefit plan issuer for claims filed with the issuer by or on behalf of the institution's student health center services can be used only for the benefit of the student health center.

DIGEST: CSHB 103 would amend Education Code, sec. 51.953 to require that health centers at higher education institutions with enrollment of more than 5,000 accept and process private health insurance for care they administer.

A student health center at a higher education institution with a total student enrollment of more than 5,000 students in one or more semesters in the preceding academic year would have to assist a student or other person who was entitled to obtain health care services through the health center in receiving benefits under the health benefit plan in which a student or other person was enrolled. The student health center would file or have a claim filed with the health plan on behalf of the student or other person. The higher education institution could contract with a third-party billing service to provide this assistance.

On behalf of the higher education institution's student health center, the institution could contract with a health benefit plan issuer that offered insurance in the health service region established by the Texas Department

of State Health Services (DSHS) where the institution was located to provide a health benefit plan that would provide health care coverage for students and others entitled to obtain health care services through the student health center.

A higher education institution would have to enter into contracts with at least three of the largest health benefit plans that provide health insurance in the institution's DSHS health service region where the institution's student health center:

- served as a preferred provider under the preferred provider benefit plans operated by the health plan issuer; or
- operated as a provider of in-network coverage under the health maintenance organizations operated by the issuers.

A higher education institution's student health center could accept a student's medication services fees, as charged by the institution, as payment toward a copayment, deductible, or a charge for a service not covered by the student's health benefit plan.

Money received by the student health center as a result of a filed claim through a health plan would be retained for use by the student health center.

By January 15 of each year, the higher education institution's board would report to the Legislature the funding for the institution's student health center, including the following income sources:

- student fees and charges;
- money from the operation of the student health center's pharmacy; and
- money received as a result of filed claims under a health plan, regardless of whether it was sponsored by or administered on behalf of the institution.

The bill would take effect September 1, 2009.

**SUPPORTERS
SAY:**

CSHB 103 would require university student health centers to accept and process claims for students' private health plans for services received at health centers. This would create a model of financial self-sufficiency for university student health centers and avoid institutions raising student fees

or relying on state funding to subsidize their services. As roughly 70 percent of Texas college students have full health coverage, tens of millions of dollars are being left on the table that could be collected from health insurance companies. In addition, the bill would allow for universities to contract this service to a “turnkey” third-party provider, which would reduce their administrative costs and free student health centers to focus on providing health care to students while also recouping health care costs from private insurers.

In these difficult economic times when the state will be looking at potential budget cuts during the next legislative session, the state should pursue all options to reduce its costs. Texas should realize the cost-saving measure that private universities and public universities in other states are already enjoying. CSHB 103 would provide a simple solution to cut state spending without reducing services for university students.

OPPONENTS
SAY:

While well intentioned, CSHB 103 would increase the cost of health services for college students and their families receiving care at student health centers without increasing the level of service or care. Currently, Texas institutions of higher education can file claims for students with health coverage for services received from their student health centers, but choose not to do so due to the high cost associated with filing claims to the large number of health plans serving their students.

There is an enormous cost for filing and collecting fees from insurance companies. Due to the increasing trend of rising deductibles in health plans to reduce premiums, these costs would result in additional out-of-pocket expenses for students until their deductible was reached. Also, because student health centers cannot charge different fees for the same service, public universities would have to charge what was, in effect, a co-pay for uninsured students, thereby raising their cost of health care access. The current model of flat fees for health coverage has worked well and should not be changed.

NOTES:

The committee substitute differs from the bill as filed by adding that a higher education institution would have to enter into contracts with at least three of the largest health plans in the institution’s Department of State Health Services health service region; specifying that a student’s medical services fee could be charged as payment for a copayment, deductible, or a service charge not covered by the student’s health benefit plan; stating that money received by a student health center from a filed claim would be

retained for its use; and allowing an institution to contract with a third-party billing service to provide assistance with filing claims.