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HEALTH INSURANCE

Most College Students Are Covered through Employer-Sponsored Plans, and Some Colleges and States Are Taking Steps to Increase Coverage





Highlights of [GAO-08-389](#), a report to the Committee on Health, Education, Labor, and Pensions, U.S. Senate

Why GAO Did This Study

College students face challenges obtaining health insurance—they may not have access to insurance through an employer, and as they get older, they may lose dependent coverage obtained through a parent’s plan. Federal law ensures continued access to health insurance for some, but not all, such students. Without health insurance, college students may be unable to pay for their health care, and the cost of this care may be passed on to federal and state payers, such as Medicaid. College students may have access to student insurance plans offered by their colleges. GAO was asked to report on uninsured college students, student insurance plans, and efforts to increase the number of insured students.

GAO reviewed (1) college students’ insurance status, (2) uninsured college students’ characteristics, (3) the extent to which colleges offered student insurance plans and the characteristics of available plans, and (4) efforts to increase the number of insured students. GAO analyzed data from a national survey on college students’ insurance status and uninsured college students’ characteristics. GAO collected data from 340 colleges on the availability of student insurance plans and the characteristics of available plans, and also gathered detailed plan information from case studies of 10 colleges and interviews with experts and insurance industry officials. GAO also reviewed some states’ laws.

To view the full product, including the scope and methodology, click on [GAO-08-389](#). For more information, contact John E. Dicken at (202) 512-7114 or dickenj@gao.gov.

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Most College Students Are Covered through Employer-Sponsored Plans, and Some Colleges and States Are Taking Steps to Increase Coverage

What GAO Found

About 80 percent of college students aged 18 through 23 had health insurance in 2006. While 67 percent of college students were covered through employer-sponsored plans, 7 percent were covered through other private health insurance plans, such as student insurance plans, and 6 percent were covered by public programs, such as Medicaid. Most insured students were covered, for example, as a dependent, on a policy under another person’s name. About 20 percent of college students aged 18 through 23 (1.7 million) were uninsured in 2006, and certain groups of students—such as part-time students, nonwhite students, and students from families with lower incomes—were more likely than others to be uninsured. The characteristics of uninsured students are consistent with those of the uninsured found in the general U.S. population.

Over half of colleges nationwide offered student insurance plans in the 2007-2008 academic year, and plans’ benefits varied. Colleges customized their plans to reflect their priorities in making premiums affordable for students while providing coverage that meets students’ needs. The plans GAO reviewed varied in the services they covered and how they paid for covered services. Specifically, some plans excluded preventive services from coverage and some plans limited payment for benefits such as prescription drugs. In addition, plans also varied in terms of premiums and maximum benefits, with annual premiums ranging from \$30 to \$2,400 and maximum benefits ranging from \$2,500 for each illness or injury to unlimited lifetime coverage.

Colleges and states have taken a variety of steps to increase the number of insured college students. For example, GAO estimated that about 30 percent of colleges nationwide required students to have health insurance in academic year 2007-2008, and some states also have health insurance requirements for college students. Finally, some states have expanded dependents’ eligibility for private health insurance, which makes insurance more available to college students who obtain coverage as dependents.

Officials from the American College Health Association (ACHA)—an advocacy and leadership organization for college and university health—provided a technical comment, which we incorporated.

Percentage of Colleges Nationwide Offering Student Insurance Plans for Academic Year 2007-2008, by College Type

College type	Percentage of colleges offering student insurance plans
Four-year private nonprofit	71
Four-year public	82
Two-year public	29
Average of all colleges	57

Source: GAO random sample of 340 colleges.

Note: Differences in the estimates are statistically significant. All estimates are subject to a sampling error within plus or minus 10 percentage points.

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Abbreviations

ACHA	American College Health Association
COBRA	Consolidated Omnibus Budget Reconciliation Act of 1985
CPS	Current Population Survey
HIPAA	Health Insurance Portability and Accountability Act of 1996
IPEDS	Integrated Postsecondary Education Data System
MEPS	Medical Expenditure Panel Survey
PPO	preferred provider organization
SCHIP	State Children's Health Insurance Program

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United States Government Accountability Office
Washington, DC 20548

March 28, 2008

The Honorable Edward M. Kennedy
Chairman
The Honorable Michael B. Enzi
Ranking Member
Committee on Health, Education, Labor, and Pensions
United States Senate

College students face challenges obtaining health insurance. They may not have access to insurance provided through an employer or may lose coverage they obtained through a parent's plan. For example, as college students get older, they may be unable to retain coverage as a dependent child on their parent's plan. While provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and the Health Insurance Portability and Accountability Act of 1996 (HIPAA) ensure access to health insurance for certain individuals, such as college students who lose or change their source of coverage, these provisions are limited.^{1,2}

Without health insurance, college students may face adverse consequences. Like other uninsured individuals, uninsured college students may be more likely to forgo needed health care, face problems accessing health services, and incur high-cost health care expenses. When uninsured college students are unable to pay for the health care services they receive, the cost of their care may be absorbed by providers, who in turn attempt to recover these costs from the insured population in the form of increased fees and insurance premiums, or from federal and state payers, such as Medicaid.

College students may have access to a unique source of health insurance coverage—plans offered by colleges to their students. These student insurance plans may be a means to increase the number of insured college students. However, it is unclear how many colleges offer these plans and what type of coverage the plans provide.

¹COBRA, Pub. L. No. 99-272, 100 Stat. 82 (1986) (codified as amended in scattered sections of 26, 29, and 42 U.S.C.).

²HIPAA, Pub. L. No. 104-191, 110 Stat. 1936 (codified as amended in scattered titles of U.S.C.).

You asked for information on uninsured college students, student insurance plans, and other efforts to provide health insurance for college students. This report describes (1) the insurance status of college students, (2) characteristics of uninsured college students and the financial impact of this population on health care systems, (3) the extent to which colleges offered student insurance plans in the 2007-2008 academic year and the characteristics of available plans, and (4) efforts to increase the number of insured college students.

To describe the insurance status of college students, we analyzed data from the U.S. Census Bureau's 2007 Annual Social and Economic Supplement to the Current Population Survey (CPS) on the sources of health insurance used by college students aged 18 through 23³ in 2006. To describe the characteristics of uninsured college students, we analyzed CPS data on the demographic characteristics of insured and uninsured college students aged 18 through 23 in 2006. To describe the financial impact of the uninsured college student population on health care systems, we estimated the amount of uncompensated care uninsured students incurred. To do this, we analyzed 2005 Medical Expenditure Panel Survey (MEPS) data from the Department of Health and Human Services—the most current data available at the time we performed our work—on the amount and types of non-injury-related uncompensated care incurred by college students aged 18 through 23 who were uninsured for all or part of 2005. Uninsured college students may also incur uncompensated care for medical events related to injuries. However, our estimate does not include uncompensated care for injury-related medical events because we could not reliably estimate the cost of this care. As a result, our estimate understates the total amount of uncompensated care incurred by uninsured college students in 2005.

To describe the extent to which colleges offered student insurance plans and the characteristics of available plans, we collected data on student insurance plans from a random sample of 340 U.S. colleges.⁴ Our sample consisted of active 2-year public, 4-year public, and 4-year private

³We focused our analysis on college students aged 18 through 23 because (1) the majority of undergraduate college students are of this age, (2) most college students of this age are undergraduate college students, and (3) data on the insurance status of college students and the characteristics and financial impact of uninsured college students were available for students in this age range.

⁴Throughout this report, we use the term college to refer to postsecondary schools.

nonprofit colleges that in 2005 had an undergraduate enrollment of at least 200 and participated in federal student financial aid programs authorized by Title IV of the Higher Education Act of 1965.^{5,6} We reviewed the Web sites of or spoke to officials at each of the 340 colleges to determine if the college offered a health insurance plan for its college students⁷ during the 2007-2008 academic year. We determined that a college offered a student insurance plan when the college's Web site or a college official identified a health insurance plan that was specifically intended for its students.⁸ For colleges that offered a student insurance plan, we gathered information on part-time student eligibility for the plan as well as the plan's premiums and maximum benefits. To obtain more detailed information about the characteristics of plans, we also selected 10 colleges for case studies to represent a range of three characteristics—college type (private nonprofit or public), health insurance requirement (presence or absence of a requirement), and companies involved in insuring and administering the colleges' plans. While the case studies allowed us to learn about many important aspects of and variations in the characteristics of student insurance plans, they were designed to provide anecdotal information, not findings that would be representative of all student insurance plans. We conducted interviews with administrators from each of the 10 colleges and reviewed student insurance plan documents. We also interviewed experts and representatives from eight student health insurance industry companies to discuss the characteristics of student insurance plans. To provide context, we also summarized the premiums and benefits of employer-sponsored and individual market policies as reported by two

⁵About 93 percent of all undergraduate students at active U.S. colleges that participated in Title IV federal financial student aid programs in 2006 attended 2-year public, 4-year public, or 4-year private nonprofit colleges with an undergraduate enrollment of at least 200. In addition, 70 percent of all active U.S. colleges that participated in Title IV programs and had enrollments of at least 200 undergraduates in 2006 were either 2-year public colleges (28 percent), 4-year public colleges (15 percent), or 4-year private nonprofit colleges (28 percent). We excluded private for-profit colleges, 2-year private colleges, and all colleges with enrollments of less than 200 students from our sample because, collectively, they enrolled a small percentage (7 percent) of all undergraduate college students.

⁶Pub. L. No. 89-329, §§ 401-467, 79 Stat. 1219, 1232-54 (codified as amended at 20 U.S.C. §§ 1070-1099c-2).

⁷Unless otherwise noted, we use the term college students to refer to domestic undergraduate college students.

⁸In contrast, we did not consider plans as offered by the college when the college made information available about several insurance options not specifically intended for its students. We also did not collect information on accident-only plans, dental or vision plans, or plans offered exclusively to student athletes.

2006 national employer health benefits surveys and a 2007 national individual market survey.⁹

To describe efforts to increase the number of insured college students, we reviewed published reports and interviewed insurance industry officials to identify and describe efforts that would either directly increase the number of insured college students aged 18 through 23 or would increase the availability of insurance for all or most college students aged 18 through 23. To describe these efforts in detail, we collected data from our random sample of 340 colleges on colleges' health insurance requirements and participation in consortiums to purchase health insurance. We also reviewed relevant state laws and higher education governing board policies.

The results from our analyses of CPS and MEPS and our collection of data on the availability of student health insurance and the health insurance requirements at colleges are generalizable to certain populations, as noted in earlier text.¹⁰ While some of our results are generalizable, other results, such as those related to the characteristics of college student insurance plans, are not. We reviewed all data for reasonableness and consistency and determined that the data were sufficiently reliable for our purposes. We performed our work in accordance with generally accepted government auditing standards from May 2007 through March 2008. Appendix I provides more detailed information on our methodology and the characteristics and limitations of the data we report.

⁹Kaiser Family Foundation and Health Research and Educational Trust, *Employer Health Benefits: 2006 Annual Survey* (Menlo Park, Calif., and Chicago, Ill.: 2006); Mercer Health and Benefits, *National Survey of Employer-Sponsored Health Plans: 2006 Survey Report* (New York, N.Y.: 2007); and America's Health Insurance Plans Center for Policy and Research, *Individual Health Insurance 2006-2007: A Comprehensive Survey of Premiums, Availability, and Benefits* (Washington, D.C.: 2007).

¹⁰Unless otherwise noted, all of our estimates on uninsured college students (from CPS) and uncompensated care (from MEPS) are within plus or minus 5 percentage points of the population value at a 95 percent confidence level, and all of our estimates on college student insurance plan availability and requirements are within plus or minus 10 percentage points of the population value at a 95 percent confidence level. In addition, unless otherwise noted, the results of our analysis on the demographic characteristics of college students more likely to be uninsured (from CPS) and our results on the number and types of colleges more likely to offer and require health insurance (from our data collection) are significant at a 95 percent confidence level.

Results in Brief

About 80 percent of college students aged 18 through 23—nearly 7.0 million individuals—were insured through private or public sources of health insurance in 2006. According to our analysis of CPS data, most college students aged 18 through 23 (67 percent) obtained their health insurance coverage in 2006 through employer-sponsored plans, which are private insurance plans employers offer to employees and their dependents; some (7 percent) obtained coverage through other private health insurance plans, such as student insurance plans offered by colleges; and others (6 percent) obtained coverage through public health insurance programs, such as Medicaid. Of those college students with any form of health insurance in 2006, most obtained coverage through another person's policy, for example, as a dependent on a parent's policy. CPS data also show that 20 percent of college students aged 18 through 23—about 1.7 million students—lacked health insurance in 2006.

Of the 1.7 million college students aged 18 through 23 who were uninsured in 2006, certain groups of students were more likely than others to be uninsured; and uninsured students incurred from \$120 million to \$255 million in uncompensated care for non-injury-related medical events in 2005. Based on our analysis of CPS data, we found that certain groups of students, including part-time students, older students, students from racial and ethnic minority groups, and students from families with lower incomes, were more likely than other groups of college students to be uninsured. The characteristics of uninsured college students are consistent with those of the uninsured found in the general U.S. population. Our analysis of MEPS data shows that most of the \$120 million to \$255 million in uncompensated care costs for non-injury-related medical events incurred by uninsured college students in 2005 was for visits to office-based providers and hospital emergency rooms.

Over half of colleges nationwide offered student insurance plans in the 2007-2008 academic year and benefits varied across plans. Specifically, we estimate that about 57 percent of colleges nationwide offered health insurance plans to their students, and some types of colleges were more likely than others to offer plans. For example, we estimate that 82 percent of 4-year public colleges nationwide offered student insurance plans in the 2007-2008 academic year, compared with 71 percent of 4-year private nonprofit colleges and 29 percent of 2-year public colleges. Colleges that offered plans varied in the extent to which they made their plans available to part-time students. In general, the plans colleges offered were customized to reflect colleges' priorities in making health insurance premiums affordable for their students while at the same time providing coverage that meets the needs of students. The plans GAO reviewed varied

in the services they covered and how they paid for covered services. Specifically, plans varied in the extent to which they covered preventive services, and some plans set a maximum amount the plan would pay for a particular service. In addition, we found that student insurance plans' annual premiums and maximum benefits varied widely. Specifically, some plans we reviewed had annual premiums that ranged from about \$30 to about \$2,400, and offered maximum benefits ranging from \$2,500 for each illness or injury to unlimited lifetime coverage.

Colleges and states have taken a variety of steps to increase the number of insured college students. For example, some colleges have required college students to have health insurance. We estimate that about 30 percent of colleges nationwide required their students to have health insurance for the 2007-2008 academic year. Some states, such as Massachusetts and New Jersey, have also implemented health insurance requirements for college students. In another effort, colleges have jointly purchased health insurance to increase the availability of health insurance for college students and the number of students who are insured. Finally, some states have expanded dependents' eligibility for private health insurance plans, which have traditionally provided coverage for dependents through age 18 and have generally continued coverage for dependents through age 22 only if they attend college full-time. Because most college students obtain health insurance as dependents, these efforts have made health insurance more available to college students.

We provided a draft of this report to the American College Health Association (ACHA), an advocacy and leadership organization for college and university health. ACHA officials provided a technical comment, which we incorporated.

Background

College students have several options for obtaining health insurance. They may obtain private health insurance through group market plans offered by employers, colleges, and other groups or through individual market plans. In addition, some college students may obtain coverage through public health insurance programs, such as Medicaid or the State Children's Health Insurance Program (SCHIP).

Health Insurance Options for College Students

College students may obtain health insurance through employer-sponsored group market plans, which are plans employers offer to their employees and their dependents. Under these plans, employers typically subsidize a share of employees' premiums for health insurance, and

premiums are calculated based on the risk characteristics of the entire group. To offer health insurance, employers either purchase coverage from an insurance carrier or fund their own plans.¹¹ All plans purchased from insurance carriers must meet state requirements, which vary by state. For example, some states require employer-sponsored plans purchased from insurance carriers to offer coverage to dependents. Although requirements for dependent coverage vary by state, plans have traditionally offered health insurance coverage for dependents through age 18, and have generally continued coverage for dependents through age 22 only if they attend college full-time.¹²

Under federal law, college students who have lost eligibility for dependent coverage under a parent's employer-sponsored insurance plan may be able to use provisions in COBRA to continue their health insurance for a limited period of time. Specifically, COBRA allows individuals such as college students who have lost eligibility for dependent coverage the option of purchasing up to 36 months of continuation coverage under the employer-sponsored plan. COBRA does not require employers to pay for or subsidize this continuation coverage, which can appear expensive in contrast to the subsidized premiums that employees and their dependents may be accustomed to paying for employer-sponsored coverage. COBRA permits employers to charge 100 percent of the premium, plus an additional 2 percent administrative fee.¹³

College students may obtain health insurance through health insurance plans offered by other groups such as their college. Colleges offer health insurance plans to students because they have an interest in maintaining the health of their students and helping them achieve their educational

¹¹When an employer purchases health coverage from an insurance carrier, the carrier assumes the risk of providing health benefits to enrollees. In contrast, employers that self-fund their health insurance plans and directly provide coverage to their employees and employees' dependents assume the risk of providing the insurance.

¹²In contrast, plans offered through the Federal Employees Health Benefits Program in 2008 offered coverage for policyholders' unmarried dependent children, regardless of their college enrollment status, through age 21.

¹³COBRA, Pub. L. No. 99-272, Title X, §§ 10001-10003, 100 Stat. 82, 222-37 (codified as amended in scattered sections of 26, 29, and 42 U.S.C.). Title X of COBRA requires employers that offer group health plans and have 20 or more employees to make available health insurance coverage for employees and their dependents who have lost eligibility for the employer's coverage because of certain events, including the loss of employment or the loss of eligibility as a dependent on a parent's plan.

objectives. These plans also can help students avoid high medical bills. To offer a health insurance plan, colleges either contract with an insurance carrier or fund their own plans. Unlike enrollees of employer-sponsored plans, those enrolled in student insurance plans typically pay the full premium for coverage. To make decisions about the plan's eligibility criteria, benefits, and premiums, colleges typically convene a student health insurance committee, which generally includes college administrators, student health center administrators, and student representatives. These committees decide how the student insurance plan will coordinate with a college's student health center, if one exists. College student health centers vary greatly in the services they provide—some offer limited services from one nurse, and others offer extensive services from multiple specialists. The committees may also consider college student insurance program standards issued by ACHA. Among other things, these standards suggest that colleges require students to have health insurance as a condition of enrollment, and that student insurance plans provide an appropriate level of benefits, including coverage of preventive services and mental health services and coverage for catastrophic illnesses or injuries.

College students may also obtain health insurance through individual market plans, which are plans sold by insurance carriers to individuals who do not receive coverage through an employer, college, or other group. Because these plans are offered by insurance carriers, the plans must meet state requirements, including those regarding eligibility for dependent coverage. Individuals purchasing a health insurance plan in the individual market typically pay the full cost of their health care premium. Insurance carriers who sell plans in the individual market are typically allowed to review the health status of each individual applying for insurance. Unlike the employer-sponsored group market where premiums are based on the risk characteristics of the entire group, premiums for individual market coverage are based on factors associated with differences in each applicant's expected health care costs, such as health status, age, and gender. Furthermore, applicants for individual market coverage may be rejected.

Some college students may be able to obtain health insurance in the individual market as a result of protections established by HIPAA. Specifically, HIPAA protects eligible individuals, including college students who have exhausted COBRA continuation coverage, by requiring

insurance carriers to offer individual market plans without a waiting period for coverage of preexisting conditions.¹⁴ HIPAA also protects eligible college students who were previously and continuously covered by a group market plan and are seeking coverage under a different group market plan. For these individuals, HIPAA requires insurance carriers to limit the use of waiting periods for coverage of preexisting conditions to no more than 12 months.¹⁵

In addition to private sources of health insurance, college students may obtain health insurance coverage through public health insurance programs, such as Medicaid or SCHIP. Some college students may have coverage through Medicaid, a joint federal-state program that finances health care coverage for certain low-income families, children, pregnant women, and individuals who are aged or disabled. Federal law requires states to extend Medicaid eligibility to children aged 6 through 18 in families with incomes at or below the federal poverty level. Some college students may have coverage through SCHIP, which provides health care coverage to low-income children through age 18 who live in families whose incomes exceed their state's eligibility threshold for Medicaid and who do not have insurance through another source.

¹⁴Eligible individuals include those who (1) most recently had creditable health insurance coverage through an employer-sponsored or other group plan for at least 18 months; (2) had no subsequent breaks in coverage of 63 or more days; (3) are not eligible for a group health plan, Medicaid, or Medicare; and (4) have exhausted continuation coverage through COBRA, the Federal Employees Health Benefits Program, or other state continuation of coverage laws. HIPAA, Pub. L. No. 104-191, § 111, 110 Stat. 1936, 1978-79 (codified at 42 U.S.C. § 300gg-41).

¹⁵The length of an allowable waiting period is based on any creditable coverage the individual may have. HIPAA allows states to provide more generous protections for eligible individuals, including but not limited to even greater limitations on waiting periods. HIPAA, Pub. L. No. 104-191, §§ 101, 102, 110 Stat. 1936, 1939-47, 1955-61 and 1971-72 (codified as amended at 29 U.S.C. §§ 1181 and 1184 and 42 U.S.C. §§ 300gg and 300gg-23).

About 80 Percent of College Students Had Health Insurance in 2006, and Most Were Covered through Employer-Sponsored Plans

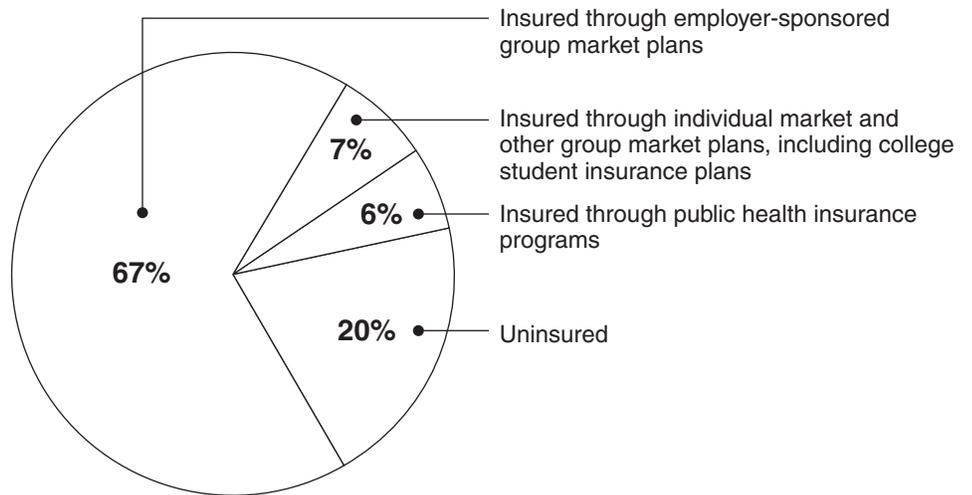
In 2006 most college students aged 18 through 23 had some form of health insurance. According to our analysis of CPS data, about 80 percent of college students aged 18 through 23—nearly 7.0 million individuals—were insured through private or public sources of health insurance in 2006. CPS data show that most college students aged 18 through 23—about 67 percent—obtained their health insurance coverage through employer-sponsored plans in 2006,¹⁶ while about 7 percent of this population obtained their coverage through either individual market or other group market plans, which include college student insurance plans. In addition, about 6 percent of college students aged 18 through 23 were covered under public health insurance programs, such as Medicaid or SCHIP, in 2006. (See fig. 1 for a summary of the health insurance status of college students in 2006.) CPS data also show that of the nearly 7.0 million college students aged 18 through 23 who had any form of health insurance in 2006, about 87 percent obtained this coverage through another person's policy—for example, as a dependent on a parent's policy. About 20 percent of college students aged 18 through 23 lacked health insurance in 2006, according to CPS data. This uninsured population numbered about 1.7 million.^{17, 18}

¹⁶CPS data do not show whether college students used provisions of COBRA to continue employer-sponsored health insurance plans. Insurance industry officials we interviewed told us that they were unaware of sources of data on the number of college students who use COBRA provisions to continue employer-sponsored health insurance, but thought that few students use COBRA to continue their health insurance.

¹⁷This estimate is within plus or minus 133,000 of the population value at a 95 percent confidence level.

¹⁸Compared with college students aged 18 through 23, young adults not enrolled in college were more than twice as likely to be uninsured. Specifically, about 42 percent of nonstudents aged 18 through 23 were uninsured in 2006.

Figure 1: Insurance Status of College Students Aged 18 through 23, in 2006



Source: GAO analysis of CPS data for 2006.

Note: All estimates are subject to a sampling error within plus or minus 5 percentage points.

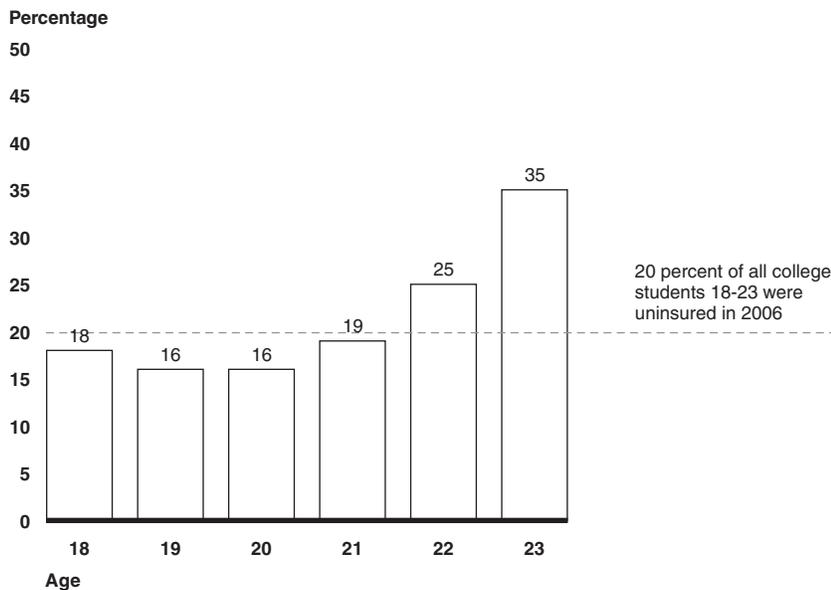
Certain Groups of College Students Were More Likely to Be Uninsured in 2006, and Uninsured Students Incurred \$120 Million to \$255 Million in Uncompensated Care for Non-Injury-Related Medical Events in 2005

Of the 1.7 million college students aged 18 through 23 who were uninsured in 2006, certain groups of students were more likely than others to be uninsured; and uninsured students incurred from \$120 million to \$255 million in uncompensated care for non-injury-related medical events in 2005. In particular, we found that part-time students, older students, and students from families with lower incomes were more likely than other groups of students to be uninsured in 2006.

Certain Groups, Including Part-time Students and Older Students, Were More Likely Than Others to Be Uninsured in 2006

Of the 1.7 million college students aged 18 through 23 who were uninsured in 2006, certain groups of students—including part-time students, older students, and students from families with lower incomes—were more likely than others to be uninsured. According to our analysis of CPS data for 2006, we found that part-time students were more likely to be uninsured than were full-time students. Specifically, 31 percent of part-time students aged 18 through 23 were uninsured in 2006, compared with 18 percent of full-time students of the same age. In addition, CPS data show that older college students—those aged 22 and 23—were more likely to be uninsured in 2006 than younger students aged 18 through 21. Specifically, about 35 percent of college students aged 23 and 25 percent of college students aged 22 were uninsured in 2006, in comparison with 16 to 19 percent of college students aged 18 through 21 who were uninsured in 2006. (See fig. 2.)

Figure 2: Percentage of Uninsured College Students Aged 18 through 23 in 2006, by Age



Source: GAO analysis of CPS data for 2006.

Note: Differences in the estimates are statistically significant. All estimates are subject to a sampling error within plus or minus 5 percentage points.

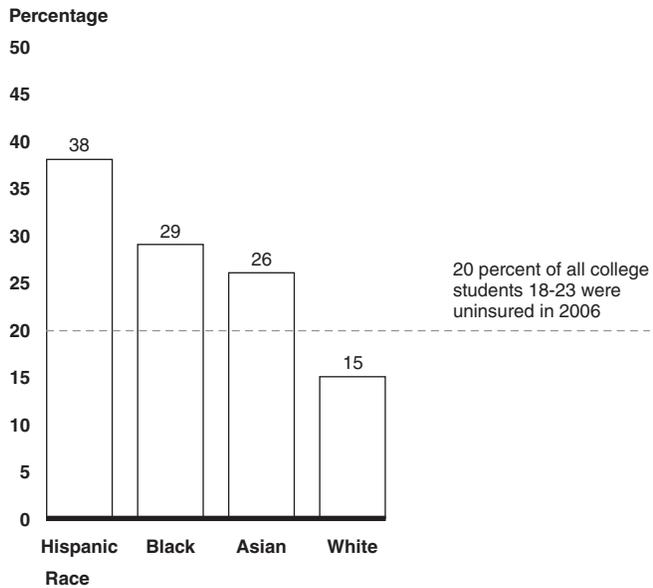
College students of certain racial and ethnic backgrounds—specifically, Hispanic, black, and Asian students—were more likely to be uninsured than white students in 2006, according to our analysis of CPS data. Specifically, we found that 38 percent¹⁹ of Hispanic, 29 percent of black, and 26 percent²⁰ of Asian college students aged 18 through 23 were uninsured in 2006—in contrast with 15 percent of white college students of this age group who were uninsured in 2006. (See fig. 3.) These differences among uninsured college students from different racial and ethnic backgrounds are consistent with characteristics of the uninsured found in the general U.S. population. According to the U.S. Census Bureau, Hispanic, black, and Asian individuals were more likely to be uninsured in 2006 than were whites.²¹

¹⁹This estimate is within plus or minus 6 percentage points of the population value at a 95 percent confidence level.

²⁰This estimate is within plus or minus 7 percentage points of the population value at a 95 percent confidence level.

²¹See U.S. Census Bureau, *Income, Poverty and Health Insurance Coverage in the United States: 2006* (Washington, D.C.: 2007).

Figure 3: Percentage of Uninsured College Students Aged 18 through 23 in 2006, by Race



Source: GAO analysis of CPS data for 2006.

Notes: Only non-Hispanics were included in the black, Asian, and white categories. Differences in the estimates are statistically significant. Estimates for black, white, and all college students are subject to a sampling error within plus or minus 5 percentage points. Estimates for Hispanic and Asian are subject to a sampling error of plus or minus 6 and 7 percentage points, respectively.

In 2006, college students reporting lower family incomes were more likely to be uninsured than college students reporting higher incomes that year. Specifically, according to our analysis of CPS data, the average family income for uninsured college students aged 18 through 23 was about \$52,000²² in 2006, whereas the average family income for insured college students was significantly higher—about \$95,000. This difference in income among uninsured college students is consistent with characteristics of the uninsured found in the general U.S. population. According to the U.S. Census Bureau, the likelihood of having health insurance rises with income.²³

Based on our analysis of CPS data we also found that college students aged 18 through 23 from states in the West and South of the country were more likely to be uninsured in 2006 than students from states in the Northeast and the Midwest.²⁴ Specifically, about 22 percent of college students aged 18 through 23 from states in the West and about 23 percent of students from states in the South were uninsured in 2006, whereas about 15 percent of college students from states in the Midwest and 18 percent of students from states in the Northeast were uninsured that year, according to our analysis of CPS data for 2006. These differences among uninsured college students from different regions are consistent with characteristics of the uninsured found in the general U.S. population. According to the U.S. Census Bureau, individuals from states in the South and West were more likely to be uninsured in 2006 than were individuals from states in the Midwest and Northeast.²⁵

²²This estimate is within plus or minus 7 percentage points of the population value at a 95 percent confidence level.

²³See U.S. Census Bureau, *Income, Poverty and Health Insurance Coverage in the United States: 2006*.

²⁴We used the U.S. Census Bureau's definition of these geographic regions. The difference—between the percentage of college students aged 18 through 23 from states in the West and South who were uninsured in 2006, compared to those from states in the Northeast and Midwest who were uninsured in 2006—is significant at 90 percent confidence level.

²⁵See U.S. Census Bureau, *Income, Poverty and Health Insurance Coverage in the United States: 2006*.

Uninsured College Students Incurred from \$120 Million to \$255 Million in Uncompensated Care for Non-Injury-Related Medical Events in 2005

According to our analysis of MEPS data, uninsured college students²⁶ incurred from \$120 million to \$255 million in uncompensated care²⁷ for non-injury-related medical events during 2005. About 18 percent of uninsured college students aged 18 through 23 incurred uncompensated care in 2005, according to our analysis of MEPS data. Most of the charges for non-injury-related uncompensated care incurred in 2005 by uninsured college students were through visits to office-based providers and hospital emergency rooms.²⁸ Uninsured college students may also incur uncompensated care for medical events related to injuries that our estimate does not reflect because we could not reliably determine the cost of this care. As a result, our estimate understates the total amount of uncompensated care incurred by uninsured college students in 2005.

Over Half of Colleges Offered Student Insurance Plans in Academic Year 2007-2008, and These Plans Were Customized and Plan Benefits Varied

Over half of colleges nationwide offered health insurance plans to their students in the 2007-2008 academic year, and these plans were customized and benefits varied across plans. We found that 4-year public and private nonprofit colleges were more likely to offer student insurance plans than were 2-year public colleges. Colleges that offered student insurance plans often limited access to the plan for part-time students in an effort to maintain premium affordability and plan sustainability. Colleges customize their student health insurance plans to reflect their priorities in making insurance premiums affordable for students while still offering plans that meet the needs of students. Colleges' student insurance plans are also customized to coordinate in a variety of ways with colleges' on-campus student health centers. The benefits offered by student insurance plans varied in terms of the services they covered and the extent to which they paid for or limited payment for covered services.

²⁶For the purpose of this analysis, we use the term uninsured college students to refer to college students who were uninsured for all or part of 2005. We included uncompensated care incurred by these individuals only during the time they were uninsured.

²⁷Our estimate of uncompensated care includes medical care for which no payment was made, and does not include medical care for which a partial payment was made. Therefore, we may underestimate the total amount of non-injury-related uncompensated care incurred by uninsured college students.

²⁸In contrast, a smaller portion of the total amount of uncompensated care for non-injury-related medical expenses was incurred through other types of care, such as hospital outpatient visits and hospital inpatient stays.

Over Half of Colleges Offered Student Insurance Plans in Academic Year 2007-2008, with Some Types of Colleges More Likely Than Others to Offer Plans

Over half of colleges nationwide offered health insurance plans to their students in the 2007-2008 academic year. Based on our review of a random, generalizable sample of 340 colleges, 194 colleges offered student insurance plans in the 2007-2008 academic year, and therefore we estimate that about 57 percent of colleges nationwide offered student insurance plans in the 2007-2008 academic year. The remaining 43 percent of colleges did not offer student insurance plans, though some of these colleges distributed information to their students on other sources of health insurance, such as plans sold in the individual market.

Certain types of colleges were more likely than others to offer student insurance plans. In particular, 4-year public colleges were more likely to offer student insurance plans than other types of colleges in the 2007-2008 academic year. Based on our review of 340 colleges, we estimate that 82 percent of 4-year public colleges nationwide offered student insurance plans in the 2007-2008 academic year, compared with 71 percent of 4-year private, nonprofit colleges and 29 percent of 2-year public colleges.²⁹ (See table 1.)

Table 1: Percentage of Colleges Nationwide Offering Student Insurance Plans for Academic Year 2007-2008, by College Type

College type	Percentage of colleges offering student insurance plans
Four-year private nonprofit	71
Four-year public	82
Two-year public	29
Average of all colleges	57

Source: GAO random sample of 340 colleges.

Notes: Differences in the estimates are statistically significant. All estimates are subject to a sampling error within plus or minus 10 percentage points.

²⁹In addition, students attending 2-year public colleges may be more likely to be uninsured than those attending other types of colleges in part because a higher proportion of students attending these colleges belong to certain groups that are more likely to be uninsured. According to Department of Education data, students attending 2-year public colleges were more likely to be enrolled part-time and were more likely to be from minority groups than those attending 4-year public or 4-year private colleges in 2005, and as we reported earlier, students from these groups were more likely to be uninsured than students from other groups.

Large colleges were more likely to offer student insurance plans than medium-sized colleges. Specifically, we estimate that 64 percent of large colleges (those with over 5,000 undergraduate students) nationwide offered student insurance plans in the 2007-2008 academic year, compared with 52 percent of medium-sized colleges (those with 1,501 to 5,000 undergraduate students).³⁰ (See table 2.) No other differences in the percentage of colleges, by size, that offered student insurance plans were statistically significant.

Table 2: Percentage of Colleges Nationwide Offering Student Insurance Plans for Academic Year 2007-2008, by College Size

College size	Percentage of colleges offering student insurance plans
Small (200-1,500 students)	56
Medium (1,501-5,000 students)	52
Large (over 5,000 students)	64
Average of all colleges	57

Source: GAO random sample of 340 colleges.

Notes: The difference between the percentage of medium-sized colleges and the percentage of large colleges that offered student insurance plans is significant at 90 percent confidence level. No other differences in the estimates were statistically significant. All estimates are subject to a sampling error within plus or minus 10 percentage points.

We also found that colleges offering the student insurance plans we reviewed varied in the extent that they made these plans available to their part-time students.³¹ Most—151 of the 165—colleges that made information available about part-time student eligibility for the plans we reviewed made their plans available to at least some part-time students in the 2007-2008 academic year.³² Specifically, about 30 percent of these colleges made the plans available to all their part-time students, and

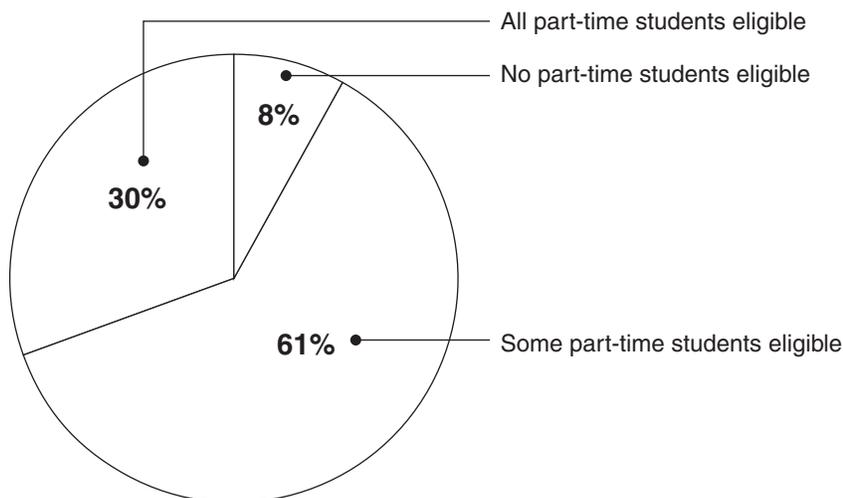
³⁰The difference between the percentage of medium-sized colleges and the percentage of large colleges that offered student insurance plans is significant at a 90 percent confidence level. However, the differences between the percentage of small and medium-sized colleges and between the percentage of small and large colleges that offered student insurance plans are not significant at a 90 percent confidence level.

³¹Our data analysis reflects the college's or insurer's definition of full-time and part-time enrollment status. In the absence of such a definition, we considered a part-time student any student enrolled in at least 1 credit hour but less than 12 credit hours.

³²Of the 340 colleges we reviewed, 194 colleges offered plans and we were able to gather information on part-time student eligibility for 165 of these plans.

61 percent made these plans available to some part-time students (see fig. 4).

Figure 4: Part-time Student Eligibility for 165 Student Insurance Plans Offered in the 2007-2008 Academic Year



Source: GAO random sample of 340 colleges.

Notes: Percentages do not add to 100 percent because of rounding. Figure reflects part-time student eligibility for 165 student insurance plans offered by colleges in our sample. This information is not generalizable to other colleges.

Colleges often limit eligibility for their health insurance plans for part-time students by setting a minimum number of credit hours that students must maintain in order to be eligible for the insurance. Of the eight colleges we reviewed in our case studies that had part-time students,³³ seven colleges required students to enroll in a minimum number of credit hours before they could become eligible for their student insurance plans. Six of these seven colleges required students to enroll in six or more credits to establish eligibility for their student insurance plans.

Colleges may limit part-time students' eligibility for student insurance in an effort to maintain premium affordability and plan sustainability. According to college administrators we interviewed, colleges that allow all part-time students to access the student insurance plan may find that

³³Of the 10 colleges we reviewed in our case studies, 1 college had no part-time students and another college had less than 1 percent of its students enrolled part-time.

individuals with medical conditions associated with high costs will enroll in the college part-time in order to access the student insurance plan. This could, over time, drive up costs for all students on the plan, resulting in a plan that is less attractive to students and therefore more difficult to sustain. In an effort to avoid this scenario, colleges may limit part-time students' access to the student insurance plan. For example, one college we reviewed discovered that some of its student insurance plan enrollees were senior citizens aged 60 to 70; these individuals registered in one-credit classes each semester to maintain eligibility for the insurance plan. In response, the college tightened eligibility requirements for the plan by allowing only degree-seeking students registered for a minimum number of credit hours to enroll.

Student Insurance Plans Were Customized to Reflect Colleges' Priorities, and Plan Benefits Varied

Student insurance plans were customized to reflect colleges' priorities in making health insurance premiums affordable for their students while at the same time providing coverage that meets the needs of students. College students typically pay the full premium for student insurance plans, and college administrators we interviewed from most of the colleges in our case studies explained that maintaining premium affordability for their students is a priority. College administrators also told us that they want to provide coverage that meets the needs of their students so their students could avoid high medical bills and complete their college education. When designing their plans, college administrators vary in the extent to which they prioritize premium affordability over plan benefits. For example, some plans we reviewed charged relatively low annual premiums—\$30 to \$200. These plans also set relatively low limits on the amount they pay for covered services—with some having limits as low as \$2,500 for each illness or injury. In contrast, other plans we reviewed charged relatively higher premiums, set higher limits on the amount they paid for covered services, and offered benefits such as preventive services³⁴ and prescription drugs. While college student insurance plans offer varied combinations of premium levels and benefits, a college's ability to offer a plan with a specific package of premiums and benefits is limited by several factors. For example, if a college receives federal financial assistance, its plan will be required to comply with

³⁴Preventive services include services such as routine physical exams and routine Pap tests.

applicable civil rights statutes.³⁵ These requirements may affect the variability of certain benefits or premiums. These factors also include the plan's historical claims experience—the amount the plan has paid in claims and the number of claims paid per enrollee—and projected enrollment in the plan.³⁶

We found that student insurance plan premiums varied widely, reflecting the trade-offs colleges make in selecting plan premiums and benefits. Specifically, for the academic year 2007-2008 student insurance plans we reviewed that made information available about premiums,³⁷ annual premiums for plans ranged from about \$30 to about \$2,400, and the average annual premium was about \$850.³⁸ Eighty-six of the 191 plans we reviewed (45 percent) had annual premiums from \$500 to \$999. (See fig. 5.)

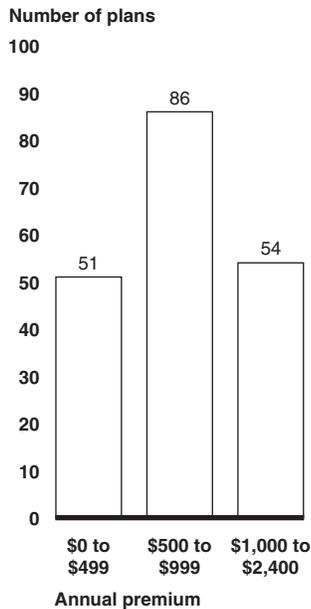
³⁵See Title IX of the Education Amendments of 1972, Pub. L. No. 92-318, §§ 901-907, 86 Stat. 235, 373-75 (codified as amended at 20 U.S.C. §§ 1681-1688); section 504 of the Rehabilitation Act of 1973, Pub. L. No. 93-112, § 504, 87 Stat. 355, 394 (codified as amended at 29 U.S.C. § 794); and the Age Discrimination Act of 1975, Pub. L. No. 94-135, Title III, 89 Stat. 713, 728-32 (codified as amended at 42 U.S.C. §§ 6101-6107).

³⁶If a college student insurance plan's historical claims experience shows that the plan has consistently paid more for benefits than the amount of premiums collected, the plan may have to increase premiums or decrease benefits. In addition, colleges whose plans are projected to enroll a larger and more diverse group of students—such as colleges that require students to have insurance—are generally able to offer plans with more affordable premiums or more comprehensive benefits than colleges with plans that enroll a smaller, less diverse group of students.

³⁷Of the 340 colleges we reviewed, 194 colleges offered plans, and we were able to gather premium information for 191 of these plans.

³⁸The average annual premium for student insurance plans (about \$850) offered for academic year 2007-2008 was about 80 percent less than the average annual premium for employer-sponsored plans offered in 2006, and about 37 percent less than that for individual market plans covering young adults aged 18 through 24 in December 2006 or January 2007. According to two national employer health benefits surveys, surveyed employers' preferred provider organization (PPO) plan premiums averaged about \$4,400 for single coverage in 2006. According to a large national survey of individual health insurance, individual market plans sold to those aged 18 through 24 in December 2006 and January 2007 had an average annual premium of about \$1,360 for single coverage. (Kaiser Family Foundation and Health Research and Educational Trust, *Employer Health Benefits: 2006 Annual Survey*; Mercer Health and Benefits, *National Survey of Employer-Sponsored Health Plans: 2006 Survey Report*; and America's Health Insurance Plans Center for Policy and Research, *Individual Health Insurance 2006-2007: A Comprehensive Survey of Premiums, Availability, and Benefits*.)

Figure 5: Distribution of Annual Premium Amounts for 191 Student Insurance Plans Offered in the 2007-2008 Academic Year



Source: GAO random sample of 340 colleges.

Notes: Figure reflects annual premiums for 191 student insurance plans offered by colleges in our sample. This information is not generalizable to other student insurance plans. Of these 191 plans, the lowest annual premium was \$28 and the highest annual premium was \$2,397.

Student insurance plans were also customized to coordinate with the services available at a college’s student health center, if one exists.³⁹ The student insurance plans we reviewed in our case studies varied in the ways that they coordinated with health centers. For example, we reviewed some student insurance plans in our case studies that

- covered certain services—for example prescription drugs—only at the student health center;
- required students to use the health center before seeking outside care in nonemergency situations;

³⁹The services available at college student health centers range from limited services provided by one nurse to extensive inpatient and urgent care services provided by multiple specialists.

-
- provided students with financial incentives—such as reduced enrollee cost sharing—to encourage use of the student health center instead of, or before, seeking care from other providers; or
 - excluded services, such as preventive services, from coverage under the insurance plan when the services were provided free, or at low cost, to students at the health center.⁴⁰

While some plans coordinated with student health centers in various ways, not all plans did so. In general, student insurance plans offered at colleges with student health centers that provide more services may be able to coordinate more with their health centers than can those offered at colleges with health centers that offer more limited services. According to insurance industry officials we interviewed, student insurance plans coordinate with student health centers to provide services to students, which can result in more affordable student insurance plan premiums.

The benefits offered by student insurance plans varied in terms of the services they covered and the extent to which they paid for or limited payment for covered services. Although the student health insurance plans we reviewed in our case studies generally covered the same broad categories of services—including hospital inpatient and emergency services, physician’s office visits, mental health treatment, substance abuse treatment, and prescription drug coverage—the plans varied with respect to how they paid for or limited payment for services covered within these categories. Some plans offered by colleges we reviewed in our case studies limited coverage within the categories by excluding treatment for specific services, and according to college administrators we interviewed, this effort helps to keep premiums affordable. For example, some other plans we reviewed excluded coverage for services such as testing and treatment for allergies or treatment for injuries sustained as a result of attempted suicide or while under the influence of drugs or alcohol. Furthermore, according to our review of plans offered by colleges in our case studies, plans also varied in the extent to which they covered preventive services. One insurance industry official told us that student insurance plans may exclude coverage for preventive services because their plans are intended to cover treatment for illnesses and injuries—not

⁴⁰Student health centers that offer services to students free of charge or at low cost may help to subsidize the cost of these services by using proceeds from a health fee charged to all students.

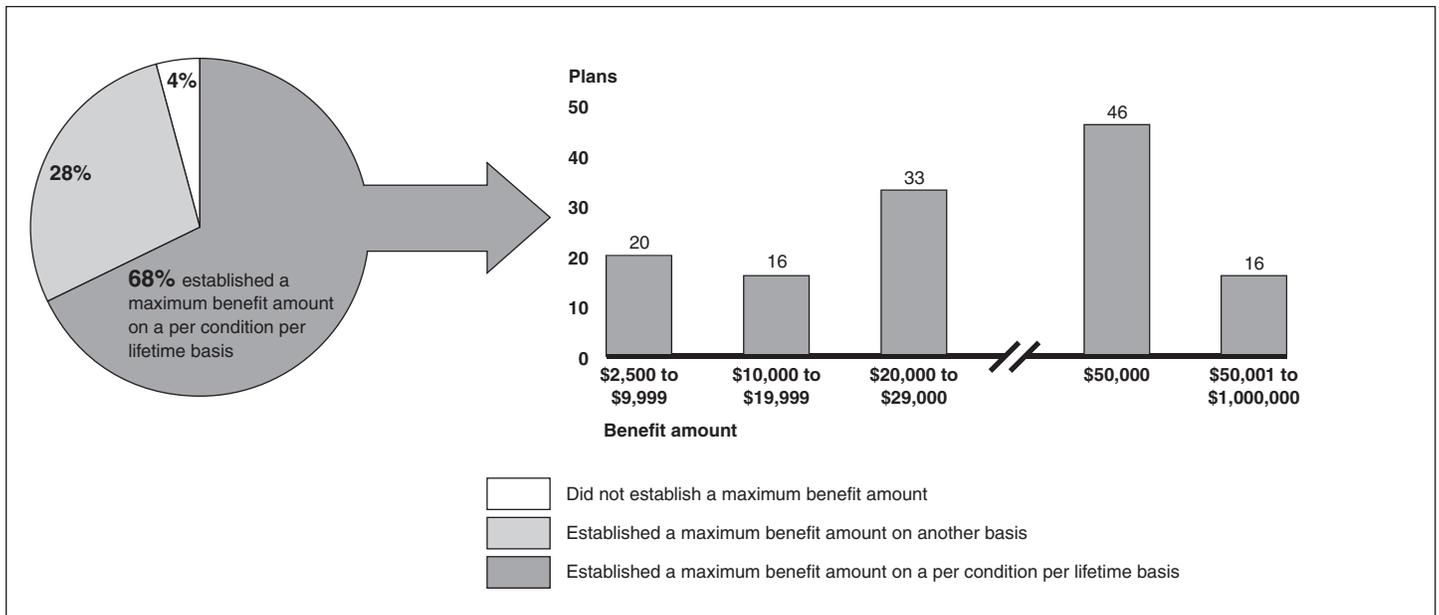
for wellness—and because doing so helps to keep plan premiums affordable.

The student insurance plans we reviewed also varied widely in the total amount—or maximum benefit—they would pay for all covered services. Nearly all (96 percent) of the 194 student insurance plans we reviewed established a maximum benefit amount,⁴¹ and most (68 percent) did so on a per condition per lifetime basis. Under this type of plan, payments are tallied for covered services treating each medical condition and the maximum benefit amount renews for each condition.⁴² The maximum benefit amounts for the 131 plans we reviewed that set a maximum benefit on a per condition per lifetime basis ranged from \$2,500 to \$1 million per condition per lifetime, with a median amount of \$25,000. Sixty-nine of these 131 plans (over half) had a maximum benefit amount less than \$30,000 per condition per lifetime, and 46 plans (35 percent) had a maximum benefit amount of \$50,000 per condition per lifetime. In addition, 16 plans with a maximum benefit per condition per lifetime established a maximum benefit amount greater than \$50,000 per condition per lifetime. (See fig. 6.)

⁴¹Of the 340 colleges we reviewed, 194 colleges offered plans and we gathered information on maximum benefits established for all of these plans. Of these 194 plans, 186 plans set maximum benefits and 5 of these plans established two maximum benefit amounts. We report our results based on the 191 total maximum benefit amounts established for 186 plans. Eight plans we reviewed (4 percent of all plans) did not establish a maximum benefit—4 of these plans explicitly offered unlimited lifetime benefits, and the other 4 plans limited benefits for all covered services without setting an overall maximum benefit amount.

⁴²For example, if a student enrolled in a plan with a \$50,000 per condition per lifetime maximum benefit amount and the student had two distinct illnesses, the plan would pay for covered services up to \$50,000 for each illness.

Figure 6: Percentage of 194 Student Insurance Plans Offered in the 2007-2008 Academic Year That Established a Maximum Benefit, and Distribution of Maximum Benefit Amounts for 131 Plans with a per Condition per Lifetime Benefit



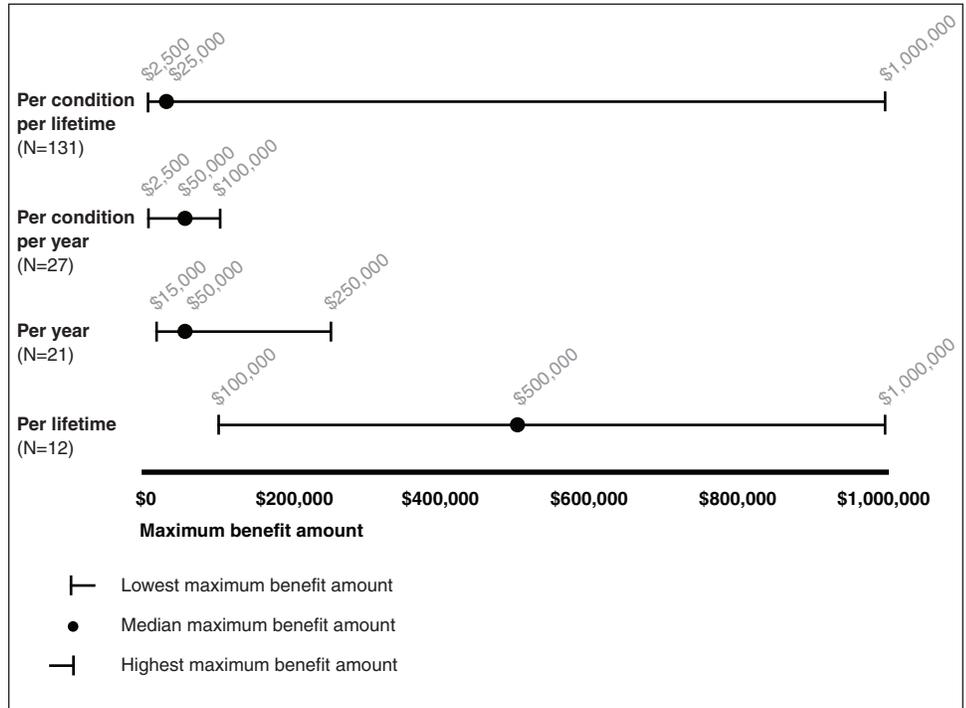
Source: GAO random sample of 340 colleges.

Notes: Figure reflects the use of maximum benefit amounts for 194 student insurance plans offered by colleges in our sample. This information is not generalizable to other student insurance plans. Of the 194 plans we reviewed, 131 plans (68 percent) established a maximum benefit amount on a per condition per lifetime basis, 55 plans (28 percent) established a maximum benefit exclusively on another basis, and 8 plans (4 percent) did not establish a maximum benefit amount—4 of these plans offered unlimited lifetime benefits, and the other 4 plans limited benefits for all covered services without setting an overall maximum benefit amount. None of the student insurance plans we reviewed had maximum benefit amounts from \$30,000 to \$49,999 per condition per lifetime.

While most student insurance plans we reviewed established a maximum benefit amount per condition per lifetime, others set maximum benefit amounts on a per condition per year, per year, or per lifetime basis. The maximum benefit amounts set for these plans ranged from \$2,500 per condition per year to \$1 million per lifetime.⁴³ Figure 7 shows the distribution of maximum benefit amounts, by type, for the student insurance plans we reviewed. In addition, four other plans we reviewed offered unlimited lifetime benefits.

⁴³In contrast to employer-sponsored plans, the student insurance plans we reviewed were more likely to limit total plan benefits. According to a national employer health benefits survey, over two-thirds of PPO plans offered by large employers limited total plan benefits in 2006. In contrast, 96 percent of the student insurance plans we reviewed established a maximum benefit in academic year 2007-2008. Similarly, according to a national survey of individual market plans in force during December 2006 and January 2007, over 90 percent of individual market single coverage PPO or point-of-service plans—the most common types of plans sold in this market—limited total plan benefits. Further, the student insurance plans we reviewed were more likely to set lower maximum benefit amounts than employer-sponsored or individual market plans. According to the employer health benefits survey, among PPO plans offered by large employers, plans with a maximum benefit per lifetime had a median maximum benefit amount of \$2 million. In addition, according to the survey of individual market plans, over two-thirds of all PPO or point-of-service plans that had a maximum benefit and were in force in December 2006 or January 2007 had a maximum benefit of \$5 million or more, and nearly all had a maximum benefit of \$2 million or more. In contrast, the median maximum benefit amount for the 12 student insurance plans we reviewed that had a lifetime maximum in academic year 2007-2008 was about \$500,000. (Mercer Health and Benefits, *National Survey of Employer-Sponsored Health Plans, 2006 Survey Report*, and America's Health Insurance Plans Center for Policy and Research, *Individual Health Insurance 2006-2007: A Comprehensive Survey of Premiums, Availability, and Benefits*.)

Figure 7: Distribution of Maximum Benefit Amounts by Type, for 191 Maximum Benefits Offered by 186 Student Insurance Plans Offered in the 2007-2008 Academic Year



Source: GAO random sample of 340 colleges.

Notes: Figure reflects the 191 maximum benefit amounts established for 186 student insurance plans offered by colleges in our sample; 5 of the 186 plans we reviewed established two maximum benefit amounts, which are reflected in the figure. This information is not generalizable to other student insurance plans.

The student insurance plans we reviewed also varied in how they limited payment for and coverage of plan benefits. Some plans we reviewed established limits (known as internal benefit limits) on the maximum amount the plan would pay for a particular service or set of services. For example, one plan we reviewed limited coverage for ambulance services to \$150 per condition per lifetime and another plan limited coverage of all outpatient benefits (including doctor visits, emergency room visits, X-rays, laboratory fees, radiation, and chemotherapy) to \$1,200 per condition per lifetime. Some plans we reviewed also used internal benefit limits to constrain the number of visits covered for a particular service. For example, we reviewed plans that limited coverage for outpatient doctor's visits to 10 visits per year or less. Some plans we reviewed set both

internal benefit limits and required enrollees to share in the cost of covered services.

Low internal benefit limits can make it highly unlikely for enrollees' coverage to meet the plan's maximum benefit amount. For example, one plan we reviewed in our case studies had a maximum benefit of \$50,000 per condition per lifetime and an internal benefit limit of \$1,200 per condition per lifetime for all outpatient benefits, including coverage for emergency services, diagnostic services, radiation, and chemotherapy. Under this plan, students who require extensive outpatient services to treat one condition (such as a chronic condition or serious illness like cancer) would be unlikely to ever meet the \$50,000 per condition per lifetime maximum benefit amount.

Colleges and States Have Taken a Variety of Steps to Increase the Number of Insured College Students

To increase the number of insured college students, colleges and states have taken a variety of steps, such as requiring students to have health insurance. According to our analysis, we estimate that about 30 percent of colleges nationwide required their students to have health insurance for the 2007-2008 academic year and some types of colleges—such as 4-year private nonprofit colleges—were more likely than others to have a health insurance requirement. Like colleges, some states and higher education governing boards have also required college students to have insurance. Colleges and states have also taken other steps to increase the number of insured college students. Specifically, colleges have jointly purchased health insurance through consortiums, and states have expanded dependents' eligibility for private health insurance.

Some Colleges and States Have Required Students to Have Health Insurance

In order to increase the number of insured college students, some colleges have required their students to have health insurance. Students attending these colleges generally must enroll in the college student insurance plan or present proof of coverage from another source.⁴⁴ Based on our review of health insurance requirements at a random, generalizable sample of 340 colleges, we estimate that about 30 percent of colleges nationwide required all their full-time students to have health insurance for the 2007-

⁴⁴Few colleges require all students to enroll in the college's student insurance plan regardless of students' other health insurance coverage.

2008 academic year.⁴⁵ In addition, 5 percent of colleges nationwide required some of their full-time students to have health insurance—for example, students living in dormitories or enrolled in certain degree programs.

Some types of colleges were more likely than others to establish an insurance requirement. Specifically, 4-year private nonprofit colleges were most likely to require full-time students to have coverage, and 2-year public colleges were least likely to require it. Based on our review of 340 colleges, we estimate that 62 percent of 4-year private nonprofit colleges nationwide required all full-time students to have health insurance for the 2007-2008 academic year, whereas 22 percent of 4-year public colleges and 3 percent of 2-year public colleges had this requirement. (See table 3.)

Table 3: Percentage of Colleges Nationwide Requiring All Full-time Students to Have Health Insurance for Academic Year 2007-2008, by College Type

College Type	Percentage of colleges requiring all full-time students to have health insurance
Four-year private nonprofit	62
Four-year public	22
Two-year public	3
Average of all colleges	30

Source: GAO random sample of 340 colleges.

Notes: Differences in the estimates are statistically significant. All estimates are subject to a sampling error within plus or minus 10 percentage points.

Small colleges were generally more likely to require full-time students to have health insurance than large colleges.⁴⁶ We estimate that 40 percent of colleges nationwide with 1,500 or fewer undergraduate students required all full-time students to have health insurance for the 2007-2008 academic

⁴⁵As we noted earlier in this report, the student insurance plans we reviewed had premiums and benefits that varied widely. As a result, although implementing a health insurance requirement may increase the number of insured students, colleges that implement such a requirement without mandating an adequate minimum level of coverage and offering a plan that meets or exceeds this level of coverage standard may not increase the number of adequately insured students.

⁴⁶The difference between the percentage of small colleges and the percentage of medium-sized colleges that required all full-time students to have health insurance is not significant at a 90 percent confidence level.

year, whereas 16 percent of colleges nationwide with over 5,000 students had such a requirement. (See table 4.)

Table 4: Percentage of Colleges Nationwide Requiring All Full-time Students to Have Health Insurance for Academic Year 2007-2008, by College Size

College size	Percentage of colleges requiring all full-time students to have health insurance
Small (200-1,500 students)	40
Medium (1,501-5,000)	33
Large (over 5,000 students)	16
Average of all colleges	30

Source: GAO random sample of 340 colleges.

Notes: Differences between the percentage of small and large colleges and the percentage of medium-sized and large colleges are statistically significant. No other differences in the estimates were statistically significant. All estimates are subject to a sampling error within plus or minus 10 percentage points.

In addition to increasing the proportion of students who are insured, insurance industry officials we interviewed told us that colleges that implement a health insurance requirement are generally able to offer a plan with more comprehensive benefits or more affordable premiums. According to insurance industry officials, more students enroll in college student insurance plans when colleges require students to have health insurance than when colleges do not have such a requirement. Specifically, insurance industry officials we interviewed told us that from 15 to 40 percent of students enroll in student insurance plans offered by colleges that have a health insurance requirement, whereas less than 10 percent of students enroll in plans that are offered by colleges without such a requirement. In addition, students who enroll in plans offered by colleges with health insurance requirements generally are healthier than those who voluntarily enroll in plans offered by colleges without a requirement. Because larger and healthier populations typically enroll in student insurance plans offered by colleges with an insurance requirement, these colleges are generally able to offer plans with more comprehensive benefits or more affordable premiums than they would otherwise have been able to offer if they did not have such a requirement. For example, an administrator from one public college without a health insurance requirement estimated that implementing such a requirement could decrease student insurance plan premiums by as much as 50 percent.

Although requiring students to have health insurance can increase the number of insured college students and allow the college to offer a more attractive plan, colleges face challenges implementing such a requirement. According to college administrators and insurance industry officials, college administrators face challenges implementing a requirement because doing so adds a fee to the total cost of attending college at a time when many are concerned with the rising cost of attending college.⁴⁷ Administrators of public colleges are especially concerned about adding a new fee because, as one insurance industry representative noted, public colleges have lower annual tuition than private colleges, so the addition of a health insurance premium to student fees results in a larger percentage increase in the cost of attendance. According to college administrators we interviewed, some colleges compete for students based on cost of attendance and administrators of these colleges are concerned that implementing a health insurance requirement would give them a disadvantage in attracting students. Because of challenges in implementing a requirement at the college level, some college administrators and insurance industry officials would prefer to see such requirements established by a higher authority, such as a state or higher education governing board, or by a group of peer institutions in order to “level the playing field” for colleges.

Some states and higher education governing boards have implemented health insurance requirements for college students. For example, Massachusetts and New Jersey require students attending college in their states to have health insurance as a condition of enrollment. Massachusetts, which implemented its requirement in 1989, requires all students enrolled in college for at least three-quarters of full-time status to either purchase a student insurance plan offered by their colleges or

⁴⁷ Colleges that require health insurance can include the cost of the health insurance premiums in the college’s overall cost of attendance, which establishes students’ financial need and may enable students to receive financial aid to pay for their health insurance premiums.

present proof of comparable coverage.⁴⁸ In 1991, New Jersey also began requiring all full-time students attending college in the state to have health insurance.⁴⁹ Similar to states' requirements, some higher education governing boards, such as the Regents of the University of California and the Idaho State Board of Education, have also implemented health insurance requirements for college students within their respective state postsecondary educational systems.⁵⁰

Some Colleges Have Jointly Purchased Health Insurance

Some colleges have jointly purchased health insurance through consortiums, and this effort can increase the availability of health insurance for college students and the number of students who are insured. Consortiums are groups of colleges that join together to participate in or pool resources for a common goal, such as purchasing. Based on our review of published reports and student insurance plans and our interviews with insurance industry officials, we identified 37 consortiums—comprising over 500 colleges—that jointly purchased student health insurance plans in academic year 2007-2008. For example, California's 109 community colleges are part of a consortium known as the Community College League of California, which jointly purchases student health insurance. In addition, the Wisconsin Association of Independent Colleges and Universities jointly purchases student health insurance for its 20 member colleges. We found that 32 percent of the 194 colleges we

⁴⁸MASS. GEN. LAWS ch. 15A, § 18 (2007) (originally codified at MASS. GEN. LAWS ch. 15A, § 7B (1989) as enacted by 1988 Mass. Acts ch. 23, § 22 (effective 1989)). In addition to requiring students to have health insurance, Massachusetts also requires students' plans—purchased through their colleges or through another source—to meet minimum standards, which include coverage for preventive and primary care services, emergency services, surgical services, hospitalization, ambulatory patient services, and mental health services. If plans limit benefits per condition, they must cover benefits up to \$50,000 per year. 114.6 MASS. CODE REGS. §§ 3.04, 3.05 (2007). According to the Massachusetts Office of Health and Human Services, one of the primary reasons for the mandatory student health insurance program is to promote students' access to quality and comprehensive health insurance.

⁴⁹N.J. STAT. ANN. § 18A:62-15 (2007) (enacted by 1991 N.J. SESS. LAW SERV. 187 (West)). An earlier version of this requirement was enacted in 1989 and expired in 1990. (N.J. STAT. ANN. § 18A:62-14 (1989) as enacted by 1989 N.J. SESS. LAW SERV. 1 (West)). New Jersey requires that college students' health insurance covers basic hospital benefits.

⁵⁰The University of California requirement applies to all of its undergraduate students. The Idaho State Board of Education requirement applies to all full-fee paying students enrolled at institutions under the governance of the board, including undergraduate, graduate, or professional study students enrolled on a full-time or part-time basis, as well as to students admitted on a nonmatriculated basis.

reviewed that offered student insurance plans in academic year 2007-2008 purchased their plans through the consortiums we identified.^{51, 52}

Consortiums provide small colleges and 2-year public colleges with a way to purchase health insurance and offer it to their students when the colleges may otherwise be unable to do so.⁵³ While 2-year public colleges were the least likely to offer student insurance plans for academic year 2007-2008, we found that 74 percent of the 2-year public colleges we reviewed that offered plans purchased them through the consortiums we identified.

Some States Have Expanded Dependents' Eligibility for Private Health Insurance

Some states have expanded dependents' eligibility for private health insurance, and because most college students obtain health insurance as dependents, this effort has made health insurance more available to college students. Dependent coverage purchased through insurance carriers must meet state requirements regarding eligibility for this coverage. Although these requirements vary by state, plans have traditionally offered health insurance coverage for dependents through age 18, and have generally continued coverage for dependents through age 22 only if they attend college full-time.

Recently, states have taken a number of steps to expand dependents' eligibility for coverage. Some states have increased the age up to which a child is considered a dependent on another person's health insurance policy. For example, in 2007 Idaho began requiring that dependent coverage be available to certain full-time students up to age 25.⁵⁴ In

⁵¹Our analysis of the proportion of colleges that participate in consortiums may underestimate the percentage of colleges that purchase student insurance through consortiums because our list of colleges participating in consortiums is not comprehensive.

⁵²Most (48) of the 62 colleges we identified as purchasing health insurance through a consortium did not require students to have insurance.

⁵³Consortiums may also provide colleges that are already organized together under the same board of regents or university system the opportunity to reduce plan administration costs and offer a similar plan to students across all campuses when purchasing health insurance.

⁵⁴IDAHO CODE § 41-2103 (2007) (enacted by 2007 Idaho Sess. Laws ch. 148). Individuals may be eligible for coverage as dependents in Idaho if they are unmarried children under the age of 21, unmarried full-time students under the age of 25 who are financially dependent upon their parents, or unmarried children of any age who are medically certified as disabled and dependent upon their parents.

addition, some states have made dependent coverage available beyond age 18 for those who are not full-time students. By doing so, states have increased the availability of health insurance for part-time students and those who need to leave college for any reason. For example, in 2006 and 2007, New Jersey⁵⁵ and Connecticut⁵⁶ passed laws requiring that dependent coverage be available to certain state residents regardless of their student enrollment status up to ages 30 and 26, respectively.

Alternatively, some states have expanded dependent coverage so that it is available for dependents who cannot attend college classes on a full-time basis because of medical conditions. For example, in June 2006, New Hampshire began requiring insurance carriers to make dependent coverage available for up to 12 months for college students who, as a result of medical conditions, leave college or continue as part-time students.⁵⁷ Recently, a number of other states implemented similar laws. For example, in 2007, Michigan and Virginia began requiring that dependent coverage be available for a period of up to 12 months for college students who take medical leaves of absence.^{58, 59}

⁵⁵N.J. STAT. ANN. § 17:48-6.19(a) (2007) (enacted by 2005 N.J. Sess. Law Serv. 375 (West) (approved and effective 2006)). To be eligible for coverage as a dependent in New Jersey, individuals must be either state residents or full-time students who are unmarried and do not have their own dependents.

⁵⁶CONN. GEN. STAT. §§ 38A-497, 38A-554 (2007) (effective 2009) (enacted by 2007 Conn. Acts 07-185 (Reg. Sess.)) (effective date amended by 2007 Conn. Acts 07-2 (Spec. Sess.)). To be eligible for coverage as a dependent in Connecticut, individuals must be unmarried state residents.

⁵⁷N.H. REV. STAT. ANN. §§ 415:5 I(3-a)(b), 415.18 V(b) (enacted by 2006 N.H. Laws 321). (This law, New Hampshire House Bill 37, is also known as Michelle's Law in honor of a full-time college student who was diagnosed with colon cancer and who, against doctor's orders, remained a full-time student during treatment so she could keep her dependent coverage.) As of 2007, an individual may be eligible for coverage as a dependent in New Hampshire if he or she is less than 26 years of age, unmarried, a resident of New Hampshire, or enrolled as a student at a public or private institution of higher education, and not provided coverage under any other group or individual plan. N.H. REV. STAT. ANN. § 415:5 I(3)(a) (enacted by 2007 N.H. Laws 352).

⁵⁸MICH. COMP. LAWS ANN. § 550.1409a (2007) (enacted by 2006 Mich. Pub. Acts 538 (effective 2007)). Michigan requires that dependent coverage be available for full-time and part-time college students for up to 12 months up to the age at which dependent coverage otherwise terminates when students take medical leaves of absence.

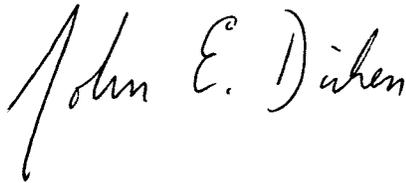
⁵⁹VA. CODE ANN. § 38.2-3525 (2007) (enacted by 2007 Va. Acts ch. 428). Virginia requires that dependent coverage be available for college students for up to 12 months when students up to age 25 take medical leaves of absence.

External Comments

We provided a draft of this report to ACHA, an advocacy and leadership organization for college and university health. ACHA officials provided a technical comment, which we incorporated.

We are sending copies of this report to interested congressional committees. We will also provide copies to others on request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions on this report, please contact me at (202) 512-7114 or at dickenj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix II.



John E. Dicken
Director, Health Care

Appendix I: Scope and Methodology

We examined (1) the insurance status of college students, (2) characteristics of uninsured college students and the financial impact of this population on health care systems, (3) the extent to which colleges offered student insurance plans in the 2007-2008 academic year and the characteristics of available plans, and (4) efforts to increase the number of insured college students. Unless otherwise noted, all of our estimates on uninsured college students (from the Current Population Survey (CPS)) and uncompensated care (from the Medical Expenditure Panel Survey (MEPS)) are subject to a sampling error of plus or minus 5 percentage points, and all of our estimates on college student insurance plan availability and requirements (from our data collection) are subject to a sampling error of plus or minus 10 percentage points.¹ We reviewed all data for reasonableness and consistency and determined that the data were sufficiently reliable for our purposes. We performed our work in accordance with generally accepted government auditing standards from May 2007 through March 2008.

Insurance Status of College Students

To describe the insurance status of college students, we analyzed data from the 2007 Annual Social and Economic Supplement to CPS, conducted by the U.S. Census Bureau for the Bureau of Labor Statistics. CPS is designed to represent a cross section of the nation's civilian noninstitutionalized population. In 2007, about 83,200 households were included in the sample for the Annual Social and Economic Supplement, and the total response rate was about 83 percent. The supplement gathers information about the type of health insurance coverage that respondents had at any time during the previous calendar year, including private health insurance, such as coverage provided through an employer (employer-sponsored plans) and insurance directly purchased by the beneficiary (including college student insurance plans and individual market plans), as well as through public health insurance programs, such as Medicaid. The supplement also gathers data on demographic characteristics.

¹Because a probability procedure based on random selections was followed for each of the surveys and our file review, the selected sample is only one of a large number of samples that might have been drawn. Since each sample could have provided different estimates, we express our confidence in the precision of our particular sample's results as a 95 percent confidence interval (e.g., plus or minus 7 percentage points). This is the interval that would contain the actual population value for 95 percent of the samples that could have been drawn. As a result, we are 95 percent confident that each of the confidence intervals in this report will include the true values in the study population.

The 2007 Annual Social and Economic Supplement to CPS asked about health insurance coverage during 2006. Specifically, the survey asked whether a respondent was covered by health insurance in the last year, and whether individuals had insurance “in their own name” or as dependents of other policyholders. To identify college students, we focused our analysis on individuals aged 18 through 23 who reported being students and we excluded those who already had a bachelor’s degree, master’s degree, professional school degree, or doctoral degree.

To assess the reliability of 2007 Annual Social and Economic Supplement to CPS data, we (1) reviewed existing documentation related to the data sources, (2) electronically tested the data to identify obvious problems with completeness or accuracy, and (3) compared our results to published sources. Based on these reviews, we determined that the data were sufficiently reliable for the purposes of this report. Unless otherwise noted, all of our estimates are within plus or minus 5 percentage points of the population value at a 95 percent confidence level.

Uninsured College Students’ Characteristics and Financial Impact

To describe the characteristics of uninsured college students and the financial impact of this population on health care systems, we analyzed data from CPS and the Department of Health and Human Services’ 2005 MEPS. To describe the demographic characteristics of college students more likely to be uninsured, we analyzed data from the 2007 Annual Social and Economic Supplement to CPS on the demographic characteristics (age, race and ethnicity, family income, and region) and enrollment status of college students aged 18 through 23 who were insured and uninsured in 2006. Unless otherwise noted, our findings regarding the demographic characteristics of college students who were more likely to be uninsured in 2006 are significant at a 95 percent confidence level and all of our estimates are within plus or minus 5 percentage points of the population value at a 95 percent confidence level.

To describe the financial impact of uninsured college students on health care systems, we estimated the amount of non-injury-related uncompensated care incurred by uninsured college students by analyzing 2005 MEPS data, which was the most recently available data at the time we did our work. MEPS is designed to provide nationally representative data on health care use and expenditures of U.S. civilian noninstitutionalized individuals. We used data from the MEPS Household Component. This longitudinal survey collects information on health insurance coverage and use of health care services of individuals over a 2-½-year period. The survey also gathers data on the demographic

characteristics of respondents. In 2005, the Household Component surveyed 12,810 families representing 32,320 individuals, and had a total response rate of about 61 percent. The Household Component collects information directly from medical providers, such as hospitals, physicians, and pharmacies, to validate self-reported information provided by survey respondents.

We analyzed Household Component data to identify college students who were uninsured for all or part of 2005. Specifically, to identify college students, we included individuals aged 18 through 23 who reported being students at any time during 2005. Of these individuals, we included those who reported having a high school diploma, GED, other degree or who had completed 11 or more years of education at the time they began the Household Component survey.² We excluded those who reported having a bachelor's degree, master's degree, or doctoral degree. We identified college students as uninsured if they reported being uninsured for any part of 2005.

We estimated the amount of non-injury-related uncompensated care incurred by these uninsured college students only during the time they were uninsured. Uninsured college students may also incur uncompensated care for medical events related to injuries. However, our estimate does not include uncompensated care for injury-related medical events because we could not reliably estimate the cost of this care. Our estimate also does not include medical care provided to uninsured college students for which a partial payment was made. As a result of these limitations, our estimate understates the total amount of uncompensated care incurred by uninsured college students in 2005.

To assess the reliability of the MEPS data, we reviewed existing documentation related to the data source, and electronically tested the data to identify obvious problems with completeness or accuracy. Based on these reviews, we determined that the data were sufficiently reliable for the purposes of this report. Unless otherwise noted, all of our estimates

²Because MEPS is a 2-1/2-year panel survey and does not directly identify college students, we included those who had completed their 11th year of education at the time the MEPS panel survey began, and who, in 2005, identified themselves as students aged 18 through 23. As a result, we may have included a small number of 18-year-old high school seniors who did not enroll in college in 2005. However, according to the U.S. Census Bureau, about half of all 18- and 19-year-olds were enrolled in college in 2005.

are within plus or minus 5 percentage points of the population value at a 95 percent confidence level.

Availability and Characteristics of College Student Insurance Plans

To describe the extent to which colleges offered student insurance plans and the characteristics of available plans, we collected data on student insurance plans offered at a random sample of 340 colleges. We also obtained more detailed information about the characteristics of plans offered by 10 colleges by conducting case studies through which we interviewed college administrators and reviewed plan documents. We also interviewed experts as well as representatives from eight insurance industry companies to obtain information on plan availability and characteristics. To provide context, we also summarized characteristics of employer-sponsored and individual market policies as reported by two 2006 national employer health benefits surveys and in a 2007 national individual market survey.³

Data Collected on Student Insurance Plans Offered by Colleges

We collected information on the availability and characteristics of college student health insurance plans at a random sample of 340 colleges. We drew the sample of colleges from the Department of Education's Integrated Postsecondary Education Data System (IPEDS), which contains the most comprehensive data on all postsecondary institutions.⁴ The sample consisted of active 2-year public, 4-year public, and 4-year private nonprofit colleges that in 2005 had undergraduate enrollment of at least 200 and participated in federal student financial aid programs, such as grant and loan programs, authorized by Title IV of the Higher Education

³Kaiser Family Foundation and Health Research and Educational Trust, *Employer Health Benefits: 2006 Annual Survey* (Menlo Park, Calif., and Chicago, Ill.: 2006); Mercer Health and Benefits, *National Survey of Employer-Sponsored Health Plans: 2006 Survey Report* (New York, N.Y.: 2007); and America's Health Insurance Plans Center for Policy and Research, *Individual Health Insurance 2006-2007: A Comprehensive Survey of Premiums, Availability, and Benefits* (Washington, D.C.: 2007).

⁴IPEDS is a system of surveys designed to collect data from all primary providers of postsecondary education. These surveys collect institution-level data annually from approximately 9,600 postsecondary schools, including over 6,000 eligible for federal student aid programs.

Act of 1965.⁵ We drew a stratified random sample of 340 colleges from the population of 2,805 colleges that met these criteria. We grouped colleges into one of three categories based on the size of their undergraduate student population: small (200 to 1,500 students), medium-sized (1,501 to 5,000 students), and large (5,001 or more students). We selected our sample from nine strata defined by size of undergraduate student enrollment (small, medium, and large) and institution type (2-year public, 4-year public, and 4-year private nonprofit). Each college had a known probability of being selected. The population and sample by strata are shown in table 5.

⁵About 93 percent of all undergraduate students at active U.S. colleges that participated in Title IV federal student aid programs in 2006 attended 2-year public, 4-year public, or 4-year private nonprofit colleges with an undergraduate enrollment of at least 200. In addition, 70 percent of all active U.S. colleges that participated in Title IV programs and had enrollments of at least 200 undergraduates in 2006 were either 2-year public colleges (28 percent), 4-year public colleges (15 percent), or 4-year private nonprofit colleges (28 percent). We excluded private for-profit colleges, 2-year private colleges, and all colleges with enrollments of less than 200 students from our sample because, collectively, they enrolled a small percentage (7 percent) of all undergraduate college students. In 2006, the 340 colleges in our sample enrolled about 1.7 million undergraduate students—12 percent of the total population of 14 million undergraduate students attending colleges that met our criteria.

Table 5: Characteristics of the 2005 U.S. College Population and the Sample of Colleges Used for Data Collection

College type	Undergraduate enrollment size	Population	Sample
Two-year public			
	Small	242	30
	Medium	441	53
	Large	412	50
	Total	1,095	133
Four-year public			
	Small	72	9
	Medium	169	20
	Large	369	45
	Total	610	74
Four-year private nonprofit			
	Small	560	68
	Medium	456	55
	Large	84	10
	Total	1,100	133

Source: GAO analysis of Integrated Postsecondary Education Data System data for 2005.

Note: We grouped colleges into one of three categories based on the size of their undergraduate student population: small (200 to 1,500 students), medium-sized (1,501 to 5,000 students), and large (5,001 or more students).

To assess the completeness of the IPEDS data we used to generate our sample, we reviewed technical documentation and we performed electronic tests to look for missing or out-of-range values. On the basis of these reviews and tests, we found the IPEDS data sufficiently reliable for the purpose of generating a sample of colleges.

Data Collection

To gather information on the availability of health insurance plans for college students⁶ during the 2007-2008 academic year and the characteristics of available plans, we reviewed the Web sites of or spoke to officials at each of the 340 colleges in our sample. Colleges vary in the amount of information they post to their Web sites about their student health insurance plans and insurance policies. We reviewed information from each college’s student health center, student services, or student

⁶Unless otherwise noted, we use the term college students to refer to domestic undergraduate college students.

affairs Web site. If information was not readily available from these Web sites, we searched each college's student handbook and general college Web site. For those colleges that did not have Web sites or for which we could not find information about the college's student health insurance plan or policies for academic year 2007-2008, we spoke with college officials and asked structured questions to gather this information. We reviewed information relevant to degree-seeking domestic undergraduate students only.

For each of the 340 colleges in our sample, we gathered information for academic year 2007-2008 on (1) whether the college required full-time degree-seeking students to have health insurance; (2) whether the college offered a student insurance plan; and if yes, (3) whether part-time undergraduate students were allowed to enroll in the plan; (4) the plan's premium; and (5) the plan's maximum benefit amount.⁷ We determined that a college offered a student insurance plan when the college's Web site or a college official identified a health insurance plan that was specifically intended for the college's students.⁸ When gathering information on maximum benefit amounts, we did not consider additional coverage that college students may purchase if they enroll in the college's basic plan because, according to insurance industry officials we interviewed, a small portion of college students—generally less than 5 percent of those enrolled in the basic plan—purchase this supplemental coverage when it is offered. When insurance plan premiums were based on student age or enrollment status, we gathered information on premiums for full-time students aged 18 through 23.

We obtained responses about the availability of college student insurance from 100 percent of the colleges in our sample. However, we were unable to gather complete information about the characteristics of all student insurance plans offered by the colleges in our sample. Of the 194 plans

⁷Our data reflect the college's or insurer's use or definition of the terms full-time and part-time student. In the absence of a definition, we considered a full-time student any student enrolled in at least 12 credit hours and a part-time student any student enrolled in at least 1 credit hour but less than 12 credit hours.

⁸We considered a plan as offered by the college when it was offered to the college's students, either through the college or through a consortium of colleges. In contrast, we did not consider a plan as offered by the college when the college made information available about one or more insurance options that were not specifically intended for its students. We also did not collect information on accident-only plans, dental or vision plans, or plans offered exclusively to student athletes.

offered by colleges in our sample, we gathered information on part-time student eligibility for 165 plans and premium information for 191 plans. We collected information on the maximum benefits established for all 194 plans. Of these 194 plans, 186 plans established a maximum benefit amount, and 5 of these 186 plans established two amounts. We therefore reviewed and report on the 191 maximum benefit amounts used for 186 plans.⁹

Using an electronic data collection instrument, we extracted data on the availability and characteristics of college student insurance plans from documentation of student health insurance plan offerings from August 2007 through October 2007 for a sample of 340 colleges. To ensure the accuracy of the extracted data, we performed a verification audit for more than 25 percent of the electronic records by comparing them to the source documentation, and we corrected the errors we found. During our analysis, we electronically tested the data for reasonableness, including testing for out-of-range values and statistical outliers. Analysis programs were also independently verified. Based on these reviews, we determined that the data were sufficiently reliable for the purposes of this report.

Data Analysis

We weighted each sampled college in our analysis to represent all colleges in the population, which allowed us to generalize our results on the availability of student insurance plans to the population of U.S. colleges, according to the types and sizes of colleges sampled. Because our sample was of colleges, and not student insurance plans, our findings on the characteristics of these plans are not generalizable to the universe of student insurance plans offered nationwide. All of our estimates on college student insurance plan availability are within plus or minus 10 percentage points of the population value at a 95 percent confidence level. In addition, unless otherwise noted, our results on the types of colleges more likely to offer student insurance plans are significant at a 95 percent confidence level.

Case Studies

To obtain detailed information on the characteristics of student insurance plans, we conducted case studies of 10 colleges' experiences offering health insurance to their students. Through these case studies we

⁹The remaining eight plans did not establish a maximum benefit amount—four of these plans explicitly offered unlimited lifetime benefits, and the other four plans limited benefits for all covered services without setting an overall maximum benefit amount.

reviewed the plans offered by 10 colleges and interviewed officials from each of these colleges. We judgmentally selected colleges for our case studies that represented a range of three characteristics—college type (private nonprofit or public), health insurance requirement (presence or absence of a requirement), and companies involved in insuring and administering the plan. The colleges we selected for review were Duke University, Colorado State University, Ohio State University, Princeton University, Santa Rosa Junior College, University of Colorado at Boulder, University of Georgia, University of Minnesota Twin Cities, University of Utah, and Washington University in St. Louis. Together, these 10 colleges comprised 3 private 4-year colleges, 6 public 4-year colleges, and 1 public 2-year college. Six of these colleges required full-time students to have coverage and 4 did not. These 10 colleges worked with a total of 16 insurance industry companies to insure their students and administer their student insurance plans.¹⁰ We reviewed plan and policy documentation available for each college plan, and interviewed officials from each college regarding their college student insurance plan and policies. The results of this review were used to gain contextual information and provide detailed illustrations that are neither representative of all plans nor generalizable to all colleges offering student health insurance plans.

Interviews with Officials from Insurance Industry Companies

To obtain detailed information about the factors that affect student insurance plan characteristics, we interviewed officials from eight insurance industry companies serving the college student insurance market. We judgmentally selected these companies for interview based on information we received from experts and college administrators. Specifically, we interviewed officials from The Chickering Group (a subsidiary of Aetna) and UnitedHealthcare StudentResources, as well as officials from Blue Cross Blue Shield of North Carolina, Blue Cross Blue Shield of Massachusetts, Koster Insurance, The Maksin Group, Student Assurance Services Incorporated, and Wells Fargo Insurance Services.

Efforts to Increase the Number of Insured College Students

To describe efforts to increase the number of insured college students, we reviewed published reports and conducted interviews with insurance industry officials about efforts that would either increase the number of insured college students aged 18 through 23 or increase the availability of insurance for all or most college students aged 18 through 23. In addition,

¹⁰In addition, two of the colleges fully self-funded their insurance programs.

to estimate the number of colleges with health insurance requirements, we collected information on the health insurance requirements at a random sample of 340 colleges. The sampling methods we used enabled us to generalize our results regarding health insurance requirements at colleges to the population of U.S. colleges, according to the types and sizes of colleges sampled. Unless otherwise noted, our findings regarding the types of colleges that are more likely to have a requirement are significant at a 95 percent confidence level, and all of our estimates are within plus or minus 10 percentage points of the population value at a 95 percent confidence level. As noted above, we took multiple steps to ensure the accuracy of the data we collected on the health insurance requirements at a sample of 340 colleges. Based on these reviews, we determined that the data were sufficiently reliable for the purposes of this report.

To describe health insurance requirements implemented by states and higher education governing boards, we reviewed relevant state laws and higher education governing board policies. To describe colleges' efforts to jointly purchase student insurance plans through consortiums, we developed a list of consortiums based on insurance industry officials' knowledge of consortiums and our review of student insurance plans, and we identified which of the 194 colleges in our review that offered student insurance plans did so through a consortium on our list. Because our list of colleges participating in consortiums is not comprehensive, we may underestimate the percentage of colleges that purchase student insurance through consortiums.¹¹ Finally, to describe efforts to expand dependents' eligibility for private health insurance, we reviewed states' laws.

¹¹Our list of colleges participating in consortiums includes colleges that do not have undergraduate students, such as graduate schools.

Appendix II: GAO Contact and Staff Acknowledgments

GAO Contact

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In addition to the individual named above, Kristi Peterson, Assistant Director; Krister Friday; Christopher Howard; Emily Larson; Lisa Motley; Dan Ries; Patricia Roy; and Suzanne Worth made key contributions to this report.

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