

ITEM 156-101-C0912

Temporary Revision of Board of Regents Policy 940.1, Residency

THAT

The Montana Board of Regents of Higher Education approves a temporary exception to Board of Regents Policy 940.1, Residency, to increase the number of credits (from 6 to 7) that a non-resident student may take per semester without having the presumption of non-residency apply. This revision is effective for fall semester, 2012 and will expire after spring semester, 2013.

EXPLANATION

For the last 16 years Montana University students have been required to carry medical insurance. If a student is not covered by private insurance, he or she may purchase MUS provided insurance. The MUS Student Health Insurance Plan is a fully insured product currently purchased through Blue Cross Blue Shield of Montana. The Plan is reviewed annually to determine rates for the upcoming benefit year. During the past benefit year, the Plan operated in the red; \$1.30 was paid out for every \$1.00 received in premiums. These losses were due primarily to changing demographics. Nearly 900 students between the ages of 22 and 26 dropped the student insurance as they can now remain on their parents' health insurance as mandated by the Patient Protection and Affordable Care Act. In addition, the number of students over age 40 significantly increased, along with the number of part-time students.

Decisions regarding the Student Health Insurance Plan are made by a consortium that consists of campus representatives, Student Health Center Directors and the Director of Benefits. The consortium works with Blue Cross Blue Shield, students, and campus administrators to determine benefits and negotiate rates annually with Blue Cross Blue Shield. For the upcoming year, officials looked at several options to enable the plan to operate in the black while keeping premium costs low. Ultimately, rates had to be increased, a tiered rate had to be implemented for students over 40, and the minimum number of credits a student must take to qualify for the insurance was raised to 7. The 7 credit limit was determined, in part, by the adverse selection in the plan at lower credit levels.

The credit change is affecting an estimated 250 students who are taking fewer than 7 credits in order to qualify for resident status for tuition purposes; these degree-seeking students are now ineligible for the student insurance. Because the insurance policy cannot be changed, we are proposing to change the residency policy to allow for a student to take up to 7 credits without becoming subject to a presumption of non-residency. Given the rate-setting schedule, there was insufficient time to notify these students to seek different insurance. The purpose of this temporary change is to allow these affected students to continue to qualify for the student insurance.

This policy change has been requested by campus registrars and academic officers and is supported by the commissioner of higher education and the presidents.