



NEW YORK STATE SENATOR

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New York Launches New Pilot Program to Make Health Insurance More Affordable for College Students

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New York has launched a new pilot program that will allow large universities to directly provide health coverage to their students at a lower cost. The program is the result of legislation signed into law last week. The five universities that are eligible to self-insure are **Columbia University, Cornell University, New York University, and the University of Rochester.**

Benjamin M. Lawskey, Superintendent of Financial Services, said, “Working with the universities, we came up with a creative solution that allows the universities to self-insure, providing better value health coverage to their students. Effectively, this bill creates a demonstration project that could eventually be extended to other colleges and more students.”

State Insurance Law does not permit a New York institution to self-fund a student health plan without a license to do business as an insurance company. As a result, an institution must purchase a policy from an insurer, or incur the costs of becoming a licensed insurance company.

A group of large universities approached the Department of Financial Services to explore how to make comprehensive insurance available to their students directly in order to make the coverage more affordable by reducing administrative and risk costs. Working together, the Department and the schools developed the bill. It permits self-funding of health plans by universities with strong endowments because they have the ability to provide financial security to such health plans.

Superintendent Lawskey said, "Once we have experience with these large financially-strong institutions, we can consider whether the model will work for other universities."

The Superintendent of Financial Services will have regulatory oversight over the student health plans. To protect students, the universities will set up reserves to ensure funding will be available to pay health care claims.

Laura L. Anglin, President of the Commission on Independent Colleges and Universities, a statewide association for more than 100 private, not-for-profit campuses, said, "Student health insurance plan costs are rising, causing concern both for colleges and universities, and for students who need to purchase health coverage. With enactment of this legislation, New York State is providing the opportunity for a number of our research universities to consider self-funded plans as a means of helping students get comprehensive health insurance coverage that best meets their needs, at lower costs. This is a win-win, and we commend the Governor and the Legislature for making this option available."

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