

SIMON FRASER UNIVERSITY

S.72-84

MEMORANDUM

To SENATE

From SENATE UNDERGRADUATE ADMISSIONS
BOARD

Subject REQUIREMENT OF MEDICAL AND HEALTH
INSURANCE

Date JUNE 22, 1972

- MOTION: "That Senate approve revision of Admission Policies relating to Requirement for Hospital and Medical Insurance Coverage:
1. That all students be required to have approved hospital and medical insurance coverage from the 73-1 semester onward as a condition of registration.
 2. That subject to the approval of the Board, non-Canadian students be assessed a fee to cover the lowest applicable premium for medical and hospital insurance. The fee to be refunded or deleted if the student provides evidence of approved medical and hospital insurance coverage."

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Hospital and Medical Insurance: A Report
on the difficulties encountered by University
Health Services with recommendations for
consideration by Senate

Prepared for Senate
by
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Definitions and Summary of Recommendations

B.C. Medical Insurance

An insurance plan provided by a society licenced by the Medical Services Commission of B.C.. It pays for all services rendered by medical practitioners that are medically required as provided under the Canada Medical Care Act.

Anyone resident in B.C. for twelve consecutive months and with an income less than \$1000 may qualify for assistance in paying the premiums. It is the responsibility of every resident to enrol in the plan and maintain coverage for him or herself and his or her dependents. There are no restrictions on eligibility.

B.C. Hospital Insurance

A service that pays benefits for in-patient and emergency treatment at hospitals. Anyone who has resided in B.C. for twelve consecutive months or landed immigrants who have resided in B.C. for three consecutive months may qualify for the service. Canadians from outside B.C. may maintain hospital insurance in their home province during the twelve month residence requirement. Beneficiaries are required to pay \$1 for each day they receive in-patient benefits and \$2 for each emergency visit. Qualified beneficiaries pay no premiums.

S.U.A.B. Recommends:

1. That all students be required to have approved medical and hospital insurance (equivalent to that defined above) by the 73-1 semester and thereafter.
2. That routine procedure for issuing medical and hospital insurance to non-Canadian students each semester be investigated by the Registrar.
3. That Canadian students should be responsible for their own insurance coverage and should be made aware of the consequences of not having approved medical and hospital insurance.

INTRODUCTION S.U.A.B. on February 17th 1972 recommended in principle that all students be required to show proof of approved hospital and medical insurance coverage as a condition of registration. This document contains a statement of the problem and a more detailed proposal for its solution. This document was reviewed by S.U.A.B. on June 20th 1972 and S.U.A.B. at that time modified its recommendation by replacing the words "show proof of" with "have." S.U.A.B. discussed several possible ways of implementing the policy with the Director of U.H.S. and the Registrar, and concluded unanimously that the policy could in fact be implemented by the 73-4 semester. (Appendix II)

THE PROBLEM The number of uninsured patients making use of the University Health Service continues to rise and if this trend continues, the U.H.S. will no longer be able to provide them with free treatment. The reason for this is that the U.H.S. obtains provincial funds only for those patients registered in the B.C. Medical Insurance Plan. It is also concerned that some students may have to abandon their University careers owing to the high cost of medical treatment, laboratory charges and hospital care, which the U.H.S. is unable to supply.

Up to July 1971 students were able to buy inexpensive combined Medical and Hospital insurance through a University carrier. This company cancelled the contract and a second insurance company is now issuing a similar policy but is unwilling to continue providing coverage on a casual basis to a few individuals who represent a higher-than-average insurance risk.

WHO WILL BE AFFECTED? S.U.A.B. is primarily concerned for non-Canadian students in their first three semesters at S.F.U. who, in many cases, are unaware of the cost of medical and hospital treatment in B.C.. They fall into two main categories:

- 1) Those with student visas, who must reside in B.C. for twelve months to qualify for hospital insurance;
- 2) Those with landed immigrant status who must reside in B.C. for three

months to qualify for hospital insurance.

The majority of these students has no medical or hospital insurance.

There is less concern about Canadian students the majority of whom pays for, or is covered by parental contributions to the B.C. Medical Insurance Plan and ~~qualifies~~ for B.C. Hospital Insurance. S.U.A.B. nevertheless felt that it would be iniquitous to require insurance of non-Canadian students only. Thus they recommended that all students should have approved medical and hospital insurance involving:

- 3) Any student without B.C. medical insurance;
- 4) Canadians from outside B.C. who have less than twelve months residence and have not maintained hospital insurance coverage in their home province.

About 10% of the students registering each semester have residence outside B.C. although the University has no record of their insured status. Of the 209 new students registered this semester 4.4% are from outside Canada and 6% from outside B.C.. The U.H.S. estimates that 15% of the students they see have no medical or hospital insurance, and despite their advice and calendar entry only twelve students have purchased insurance since the plan was introduced.

SOLUTIONS The following possibilities have been considered:

- A) Persuade students to take out their own insurance;
- B) Charge uninsured students for services provided by the U.H.S.;
- C) Obtain funds from the Board of Governors and/or Student Societies for the cost of medical treatment by the U.H.S.;
- D) Obtain funds from the Board and/or Student Society to purchase insurance for those students who are not covered;
- E) Require approved medical and hospital insurance as a condition of registration.

Of these possibilities A) has been implemented, without success for the last twelve months and B) and C) do not solve the problem of laboratory and hospital costs. Only D) and E) provide a solution to all aspects of the problem stated above. As the majority -- some 80% -- of our

students are covered by family or personal contributions to the B.C. Medical Plan, possibility D) appears to be unjust. The cost of university-wide medical and hospital insurance would be high, perhaps \$40,000 initially.

DISCUSSION The following questions emerge if policy E) is implemented:

1) Is the policy consistent with the philosophy of admitting students solely on their academic qualifications? The University presently requires students, as a condition of registration, to pay Student Society dues and Tuition fees and no waiver mechanism exists to permit students to register without such payment. Enforcement of such a policy might save others from financial ruin. It would ultimately benefit all students who are not resident in B.C. by reducing insurance rates as a result of greater participation. The policy would also have a humanistic justification, particularly for non-Canadian students. These students are, for the most part, unaware of the serious financial difficulties which may arise as a result of illness or accident in the province of B.C.. Students would become familiar with the medical and hospital insurance coverage they hold prior to an emergency situation and would be aware of the services for which they are eligible.

- 2) To what degree should the University enforce such a policy?
- a) Introduce some waiver mechanisms;
 - b) Prohibit students from registering without insurance if they are ineligible for B.C. Hospital insurance;
 - c) Prohibit students from registering without both medical and hospital insurance.

The degree of enforcement might influence

- i) enrollment
- ii) the policies and procedures used in our present preregistration system.

Most universities in Canada require either a medical examination or medical insurance for their students. Full enforcement of policy E) is

unlikely to affect enrollment significantly. Full enforcement is probably the simplest to incorporate into our preregistration system.

At its meeting of June 20th, S.U.A.B. was nevertheless in favour of a procedure that would allow the University to grant waivers to students on the grounds of conscience or religious belief.

3) What would be the financial effect of implementing this system?

a) To the University:

Cost would vary according to the detail of the procedure. It would probably be less if the majority of paperwork were handled by the U.H.S.. Printing, mailing and part-time assistance would probably cost less than \$5,000 per year.

b) To the student:

Students with no medical insurance would have to pay premiums of between \$6 for a single student with 12 months residence and no income to \$150 per year for a married student with one or more children. Students with no hospital insurance, or with no hospital or medical insurance would have to pay group medical and hospital insurance premiums (at present only a combined policy is available). The premiums range from approximately \$16 per semester to \$70 per year for a single student and double those amounts for family coverage. As a rough estimate, between 100 and 500 students might be expected to have no hospital or medical insurance in one semester.

Appendix I PROPOSED MOTION

TO SENATE

Revision of Admission Policies -- Requirement for Hospital and Medical Insurance Coverage

MOTION

- I) That all students be required to have approved hospital and medical insurance coverage from the 73-1 semester onward as a condition of registration.
- II) That subject to the approval of the Board, non-Canadian students be assessed a fee to cover the lowest applicable premium for medical and hospital insurance. The fee to be refunded or deleted if the student provides evidence of approved medical and hospital insurance coverage.

Financial reasons make it impossible for an increasing number of uninsured students to obtain free medical treatment from the University Health Service.

Students up to now have been able to purchase inexpensive insurance coverage from the University's Carriers but numbers are now so small that the company is unwilling to continue these policies.

Appendix II PROCEDURES

Several possible procedures for implementing this policy were discussed by S.U.A.B. on June 20th 1972.

As the main concern of U.H.S. is for non-Canadian students, it was recommended that the Registrar should investigate a procedure whereby such students are automatically billed at each preregistration for the lowest applicable rate of group Hospital and Medical insurance.

It was further recommended that the Registrar should investigate a procedure whereby all students, first, are made aware that it is their responsibility to have hospital and medical insurance and, secondly, made aware of the consequences of having no medical or hospital insurance. Presumably in the latter case such students might be required to obtain insurance, to pay for medical treatment or to withdraw from the University. The University should accept no moral or financial responsibility for students without medical or hospital insurance.

Other than this S.U.A.B. was concerned that the procedure should be as simple as possible and to rely, apart from spot checking by U.H.S., largely on the word of the student.