

SGPS Special Committee on  
International Graduate and Professional Students

# REPORT:

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ADDRESSING THE COST OF UHIP  
(UNIVERSITY HEALTH INSURANCE PLAN)  
FOR INTERNATIONAL GRADUATE &  
PROFESSIONAL STUDENTS

FEBRUARY 5, 2007

# Addressing the Cost of UHIP

FOR INTERNATIONAL GRADUATE & PROFESSIONAL STUDENTS

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## SUMMARY

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**All International Graduate and Professional Students at Queen's University are required to subscribe to the University Health Insurance Plan (UHIP). The average annual rate charged under this plan increased by a dramatic 33 percent between the 2005-06 and 2006-07 academic years; this increase places considerable financial strain on an already economically marginalized group. In this report we examine the factors contributing to the cost of UHIP and look at how future cost escalation may be avoided. We conclude that there are unlikely to be any cost-effective alternative insurance providers to UHIP, but that the cost of health insurance could be reduced by hospitals ceasing to charge international students at rates that are considerably greater than the cost of providing the services.**

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## BACKGROUND

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International Graduate and Professional Students are amongst the most economically marginalized groups within the Queen's University community. The combined impact of high fees, limited employment opportunities, and travel expenses place more financial stresses on International Students than their domestic equivalents. Results from a survey carried out by this Committee in May of 2006 found that only eight percent of International Graduate and Professional Students have **not** been in a position of financial need while studying at Queen's University.<sup>1</sup>

Further straining the budgets of International Graduate and Professional Students at Queen's is the dramatic 33 percent increase in the average cost of the University Health Insurance Plan for the 2006-07 year<sup>1</sup>. For a single student this change represents a \$164.00 increase from the previous year, and for an individual with two dependents a \$1092.00 increase. The current increases are identified by UHIP as primarily a result of increasing claim costs of dependents (see Appendix One) and have led UHIP to disproportionately increase the cost of the plan for individuals with dependents.

The University Health Insurance Plan was established by the Council of Ontario Universities in 1994 following the decision of the Ontario government to exclude international students from the Ontario Health Insurance Programme (OHIP) and was intended to provide International Students with a level of coverage equivalent to the provincial plan. The International Student population<sup>2</sup> at Queen's University extends to almost 1100 students all of whom are required to enroll in UHIP along with their dependents unless they are covered by an alternative health care plan. UHIP is subscribed to by all Universities within Ontario with the exception of the University of Windsor and, therefore, represents a large base population upon which the insurance risk is shared. Table 1 illustrates that

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<sup>1</sup> It must be noted that 7.6% of respondents (8 of 105) are receiving financial assistance to pay their health insurance costs.

<sup>2</sup> The International Student population refers to those students who were residents of countries outside of Canada at the time of admission and excludes landed and permanent residents of Canada.

UHIP has been effective in reducing costs in recent years yet the current increase is worrying. The remainder of this document looks at options that we, as a committee, have looked into as a means of reducing the cost of health insurance for our community.

Year	One Member	Two Members	Three or More Members	Annual Percentage Change
1994-5	\$535.68	\$1071.36	\$1695.60	-
1995-6	\$535.68	\$1071.36	\$1695.60	0
1996-7	\$546.39	\$1092.79	\$1729.51	2
1997-8	\$570.43	\$1140.87	\$1805.61	4.4
1998-9	\$578.99	\$1157.98	\$1832.69	1.5
1999-2000	\$590.57	\$1181.14	\$1869.34	2
2000-1	\$702.78	\$1405.56	\$2224.53	19
2001-2	\$702.78	\$1405.56	\$2224.53	0
2002-3	\$737.92	\$1475.84	\$2334.76	5
2003-4	\$612.47	\$1224.95	\$1938.68	(17)
2004-5	\$532.85	\$1065.70	\$1686.65	(13)
2005-6	\$528.00	\$1056.00	\$1584.00	(0.9)
2006-7	\$684.00	\$1680.00	\$2676.00	29.5/59/69

*Table 1: Annual UHIP Rates for 1994 through 2006.*

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## ALTERNATIVES TO UHIP

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The University Health Insurance Plan is presently mandatory for Queen's International students with the exception of those enrolled in another plan pre-approved by UHIP which must provide equivalent coverage to OHIP. We looked into Medi-Select Advantage, an Emergency Medical Insurance Plan for International Students as an indication of alternatives to UHIP comparing relative cost and coverage.

The Medi-Select Programme has been in operation since 1984 and was used widely in Quebec in its early years. Currently there are many universities in the Maritimes signed up to it including the University of New Brunswick and Moncton. Use of the programme in Ontario has been limited to non-University students (such as students enrolled in English language programmes) as UHIP has prohibited most University students from signing up.

**COST:** Competitive rates are offered by Medi-Select for single students (\$578 for 12 months compared with \$684 under UHIP). Rates are less competitive for students with dependents (a student with 4 dependents pays \$3451 compared with \$2576 under UHIP). This price disparity is explained by UHIP's past practice of sharing the higher claim costs of dependents across all subscribers. Medi-Select has not increased their fees in the past 3-4 years.

**COVERAGE:** The Medi-Select plan is not an equivalent to UHIP: it covers ambulance use, dental care and prescriptions – UHIP does not. The Medi-Select plan does not cover people living with HIV/AIDS and some other medical conditions. It does not provide exhaustive hospital care (only up to 60 days) and excludes most non-emergency care, such as general practitioner visits, from its coverage.

**RECOMMENDATIONS:** Medi-Select and UHIP differ substantially in the type of coverage they provide, UHIP being much more extensive. While the option exists for negotiating with Medi-Select to provide coverage equivalent to UHIP we suspect that this would result in significant increases to the cost of the plan which would exceed the present cost of UHIP. Pursuing Medi-Select, or any other provider, as an alternative to UHIP is unlikely to be cost-effective given the large population base of UHIP through which claim costs are diffused.

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## **EQUITY UNDER UHIP**

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International Students, International Workers employed in Ontario Universities, Visiting Scholars and International Post-Doctoral Fellows are all ensured by UHIP at the same rate despite the greater financial resources of these non-students. The administrators at UHIP attribute escalating rates largely to increased claim costs of dependents raising the question of whether International Students and their families are subsidizing the costs of non-student UHIP claims. Data on claim costs which distinguishes between students and workers was requested from the UHIP administrators. Inconsistencies in the categorizing of individuals in unpaid positions such as ‘visiting scholars’ meant that data from different universities was not comparable and thus was not released to us. Also, it has come to our knowledge that there is no international student sitting on the UHIP steering committee. We see this as being faulty and hope that the steering committee will look for possible means of having international students on the committee.

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## **THE ONTARIO GOVERNMENT & ONTARIO HOSPITALS**

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The Ontario government has excluded International Students from accessing many provincially funded programmes including most scholarships and OHIP. We see it as problematic, therefore, that International students are paying much more for their use of an Ontario hospital than the cost of providing the services.

The Ontario government allows hospitals to charge a maximum of 2.5 times the inter-provincial rate<sup>3</sup> for one night’s stay at a hospital (UHIP, 2006). While it is the hospitals charging for services they are largely making up for a shortfall in provincial funding. The Ontario Hospital Association reports that

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<sup>3</sup> The inter-provincial rate, as legislated by the Canada Health Act 1985 may either be payment of the cost of the care received or an amount agreed upon by the provinces; it is therefore likely to be equivalent to the cost of providing the service.

cutbacks in provincial funding to hospitals between 1992 and 1998 has led to a funding shortfall which has yet to be closed despite subsequent increases in hospital funding (Baranski, 2004). UHIP has agreements with a select number of hospitals to charge the following rates:

- 100% for emergency room services and out-patient charges
- emergency hospitalization in standard ward accommodation (including meals), at 100% for the first four days and to a maximum of 2.5 times the hospital's inter-provincial/resident rate for each day thereafter, and
- non-emergency hospitalization in standard ward accommodation (including meals) to a daily maximum of 2.5 times the hospital's inter-provincial/resident rate

Hospitals not in UHIP's preferred hospital network tend to charge even more for their services and may result in out-of-pocket expenses for International Students receiving care at those locations. Due to these excessive charges it is not surprising that hospital charges are the greatest cost to UHIP at 52 percent of all claims expenses, and greater than the 34% cost attributed to physicians (Mercer Health & Benefits, 2006).

**RECOMMENDATIONS:** That the SGPS, AMS, and Queen's Administration advocate on behalf of international students for the Ontario government to legislate that health care providers charge International Students and their insurers no more than the cost of the services being provided.

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## **BURSARY**

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The Ontario government has excluded International Students from accessing many provincially funded programmes including most scholarships and OHIP. We see it as problematic, therefore Graduate and/or Professional students who are unable to bear the weight of UHIP fees (especially if they have dependants) face more financial hardships. Not only do some of these students withdraw from Queen's, but it discourages stellar possible graduate and professional international students from applying to Queen's, and does not help the image of the university. In some departments, Supervisors pay for their student's UHIP fees, but there are other departments where Graduate and/or Professional students have to bear the burden of the entire fees.

**RECOMMENDATIONS:** That the University create a special bursary for International Students: **Queen's UHIP Bursary** to be administered through a special committee made up of Faculty, International Students, SGPS Representative, and a staff from QUIC. The bursary should be specifically administered to international students who are unable to pay their UHIP fees, especially if they have dependants. Doing this will also attract more international students at Queen's.

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## **ACKNOWLEDGEMENT**

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The SGPS Special Committee for International Graduate and Professional Students, on behalf of all SGPS International Students at Queen's University will like to thank **Sarah Lovell** and **Rodica Pecheanu** for their immense contribution in making this report possible.

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## **COMMITTEE MEMBERS**

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<sup>i</sup> This figure denotes 9 of 108 survey respondents