

## BURDA ON HEALTHCARE

# For Authorized Payers Only: **A College Tuition Statement's Guide to the Healthcare System**

By David Burda  
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**L**essons about how the healthcare system in the U.S. really works are everywhere even if you're not looking for them. I didn't expect to find one in my youngest son's tuition statement, but I did.

My wife and I are fortunate enough to be able to afford to pay for our kids' undergraduate college education. (They're on their own for graduate school.) My specific task in that process is to find their tuition statements on their university websites and pay their tuition bill on time at the start of every fall and spring semester.

Like his older siblings, my youngest attends a Big 10 university in the Midwest. (Midwest is no longer assumed.) The university automatically adds a per-semester charge for health insurance to his tuition statement. That's different from the mandatory fee we have to pay for the student health service.

We don't have to pay the health insurance charge because he's on our family health insurance plan. We don't need a separate health plan for him through the university from a commercial carrier, in this case, UnitedHealthcare.



That all seems simple enough until you, as the actual human who pays the bill, or, in university parlance, "authorized payer," starts the tuition-paying process. The process is a masterpiece of obfuscation that I have no doubt is designed to trick you into buying a health insurance policy you don't need and, if you do need it by chance, won't pay your claim.

It's underwriting risk reduction at its best. All the money comes in. None of the money goes out.

## LET'S SEE YOU OPT YOUR WAY OUT OF THIS

Here's how it works:

- To the inexperienced authorized payer, "student insurance" and "health service fee" sound a lot alike, and they appear next to each other on the statement. What parent wouldn't want to pay those seemingly related fees to keep their son or daughter as healthy as possible?
- There's no indication on the tuition statement that the "student insurance" charge is optional if you have separate insurance. It's just another line item on the tuition bill. It appears mandatory.
- The university automatically charges you for "student insurance" unless you, as an authorized payer, affirmatively opt-out of "student insurance" by a specified deadline, which usually is before the tuition bill is due. So, if you wait for the tuition bill, it's too late.
- Other than a brief mention during a freshman orientation video for new parents, the university does not remind you that you, as an authorized payer, must opt out of "student insurance" by a specific deadline to avoid the charge. You have to remember as a sophomore, junior and senior.
- The university also doesn't tell you, as an authorized user, that you have to opt out at the start of each semester, or twice a year. When you opt out at the start of the fall semester, it doesn't carry over for the entire school year. If you forget when the spring semester starts, tough luck.
- The opt-out process exists on a completely different university website than the one that has your student's account on it or the one for the bursar's office. Good luck finding the URL to the opt-out website. Authorized users have to call and ask for it. The opt-out URL itself gives away no clues about what it's about.



## QUICK, WHAT'S YOUR KID'S STUDENT ID NUMBER?

Then there's the opt-out process itself. It has five steps. Five timed steps. If any of your step sessions time out, you have to start the entire process all over again. Go!

- There's a pretty good chance that novices will have to start over because one of the steps requires you to know your student's nine-digit identification number. Another requires you to tap in a six-digit verification code sent to your student's university email address. Another requires you to download the front and back of your health insurance card. (You haven't lived until you call or text your student in the middle of the day during the first week of classes, ask them to stop what they're doing, open their school email account and text you a six-digit verification code all in two minutes or less.)
- One of the steps in the opt-out process requires the authorized payer to fill out a form on the type of health benefits your student has through your existing health plan. Medical? Inpatient? Outpatient? Lifetime limit? Dental? Vision? Behavioral health? Missing anything the student insurance plan has could knock you out of the opt-out process, and you'll be stuck with the high-priced university plan.
- That step also is interesting because, through the opt-out process, UnitedHealthcare in my case now has a copy of my health insurance card from another commercial carrier and all my health insurance benefits for my entire family. That certainly is a creative way to steal information on a competitor and my personal health information! Good for you.

## THAT'S NOT MY CLAIM, MAN

I saved the best for last.

Everything in the opt-out process is set up to make it nearly impossible for you to opt out and make it very possible that you'll buy health insurance that your student doesn't need. That's on purpose. Why? Because even if you buy it, the student health plan through a commercial carrier likely will never pay a claim. Why? Because your student already has insurance. They are on your family plan.

If you haven't experienced this already, when an insurance company like UnitedHealthcare gets a claim, the first thing it will do is try to pass the claim off on another insurer if you have one. Are you poor? Maybe Medicaid. Are you old? Maybe Medicare. Was your injury from a car accident? Maybe your car insurance company. Did it happen at work? Maybe your worker's compensation plan. Is your spouse on another insurance plan? Maybe the other plan.

If you buy separate student health insurance, and your student is on your family plan, the student health plan will not pay your claim.



The student health insurance paradigm is the whole healthcare system in a nutshell. It's rigged against the patient, the member, the customer, the consumer.

I just didn't expect to see it in a tuition statement. Talk about your institution of higher learning.

Thanks for reading.

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## AUTHOR



**Dave Burda** began covering healthcare in 1983 and hasn't stopped since. Dave writes this monthly column "Burda on Healthcare," contributes weekly blog posts, manages our weekly newsletter 4sight Friday, and hosts our weekly Roundup podcast. Dave believes that healthcare is a business like any other business, and customers—patients—are king. If you do what's right for patients, good business results will follow.

Dave's personnel experiences with the healthcare system both as a patient and family caregiver have shaped his point of view. It's also been shaped by covering the industry for 35 years as a reporter and editor. He worked at Modern Healthcare for 25 years, the last 11 as editor.

Prior to Modern Healthcare, he did stints at the American Medical Record Association (now AHIMA) and the American Hospital Association. After Modern Healthcare, he wrote a monthly column for Twin Cities Business explaining healthcare trends to a business audience, and he developed and executed content marketing plans for leading healthcare corporations as the editorial director for healthcare strategies at MSP Communications.

When he's not reading and writing about healthcare, Dave spends his time riding the trails of DuPage County, IL, on his bike, tending his vegetable garden and daydreaming about being a lobster fisherman in Maine. He lives in Wheaton, IL, with his lovely wife of 35 years and his three children, none of whom want to be journalists or lobster fishermen.

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