

Supporting Statement – Part A
Student Health Insurance Coverage
(CMS-10377/OMB Control Number: 0938-1157)

A. Background

The Patient Protection and Affordable Care Act, Pub. L. 111-148, was enacted on March 23, 2010 and the Health Care and Education Reconciliation Act of 2010, Pub. L. 111-152, was enacted on March 30, 2010 (collectively known as the “Affordable Care Act”). The Affordable Care Act reorganizes, amends, and adds to the provisions of part A of title XXVII of the Public Health Service Act (PHS Act) relating to group health plans and health insurance issuers in the group and individual markets.

Under the student health insurance coverage final regulation published March 21, 2012 (77 FR 16453), student health insurance coverage is a type of individual health insurance coverage provided pursuant to a written agreement between an institution of higher education (as defined in the Higher Education Act of 1965) and a health insurance issuer, and provided to students who are enrolled in that institution and their dependents. In addition, student health insurance coverage must not be made available other than in connection with enrollment as a student, must not condition enrollment on any health status-related factor, and must satisfy any additional requirements that may be imposed under state law.

The Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2017 final rule (2017 Payment Notice) published March 18, 2016 (81 FR 12203) provides that, for policy years beginning on or after July 1, 2016, student health insurance coverage is exempt from the actuarial value (AV) requirements under section 1302(d) of the Affordable Care Act, but must provide at least 60 percent AV. The issuer must also specify in any plan materials summarizing the terms of the coverage the AV of the coverage and metal level (or next lowest metal level) the coverage would otherwise satisfy.

B. Justification

1. Need and Legal Basis

Section 1560(c) of the Affordable Care Act provides that "Nothing in this title (or an amendment made by this title) shall be construed to prohibit an institution of higher education (as such term is defined for purposes of the Higher Education Act of 1965) from offering a student health insurance plan, to the extent that such requirement is otherwise permitted under applicable federal, state, or local law." HHS has determined that this provision of the Affordable Care Act provides HHS limited authority to exclude student health insurance plans from certain requirements of the Affordable Care Act that would, as a practical matter, prohibit or inhibit the offering of such coverage.

The 2017 Payment Notice provided that student health insurance coverage is not subject to the actuarial value requirements under section 1302(d) of the Affordable Care Act, as implemented in §§156.135 and 156.140, for policy years beginning on or after July 1, 2016, but must provide an actuarial value of at least 60 percent. The 2017 Payment Notice also requires student health insurance issuers to specify in any plan materials summarizing the terms of the coverage the actuarial value of the coverage and the metal level (or next lowest metal level) the coverage would otherwise satisfy.

2. Information Users

This information will allow students and their dependents to compare the generosity of the student health insurance plan with other available coverage options, such as coverage under a parent's plan or coverage through the Exchange, and choose a plan that best meets their needs and budget.

3. Use of Information Technology

Issuers may use electronic technology to incorporate the required AV and metal level information into any plan materials summarizing the terms of the coverage and to distribute those documents, consistent with applicable federal and state law.

4. Duplication of Efforts

This is the only requirement for student health insurance issuers to disclose the plans' actuarial value and metal level (or next lowest metal level), thus there is no duplication of effort.

5. Small Businesses

The information collection does not impose any burden on small businesses or entities.

6. Less Frequent Collection

If this information collection is conducted less frequently, students and their dependents seeking to enroll in student health insurance coverage will not have the opportunity and information needed to compare and evaluate student health insurance coverage with other available coverage options.

7. Special Circumstances

There are no special circumstances.

8. Federal Register/Outside Consultation

A Federal Register notice was published on April 21, 2025 (90 FR 16685), providing the public with a 60-day period to submit written comments on the information collection requirement (ICR). A 30-day Notice published July 11, 2025 (90 FR 30939). No comments were received.

9. Payments/Gifts to Respondents

No payments or gifts are associated with this ICR.

10. Confidentiality

This is a third party notification and the issue of confidentiality between third parties is out of scope for the information collection.

11. Sensitive Questions

This ICR does not involve any sensitive questions.

12. Burden Estimates (Hours & Wages)

We used data from the Bureau of Labor Statistics (BLS) to derive median labor costs (including a 100 percent increase of the median hourly wage to incorporate the cost of fringe benefits and other indirect costs) for estimating the burden associated with this ICR.¹ Table 1 presents the median hourly wage, the cost of fringe benefits and other indirect costs, and the adjusted hourly wage.

TABLE 1: Adjusted Hourly Wage Used in the Burden Estimate

BLS Occupation Title	Occupational Code	Median Hourly Wage (\$/hour)	Cost of Fringe Benefits and Other Indirect Costs (\$/hour)	Adjusted Hourly Wage (\$/hour)
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	43-6014	\$22.26	\$22.26	\$44.52

AV and Metal Level Disclosure

For policy years beginning on or after July 1, 2016, student health insurance issuers are

¹ See May 2024 Bureau of Labor Statistics, Occupational Employment Statistics, National Occupational Employment and Wage Estimates at https://www.bls.gov/oes/current/oes_stru.htm.

required to include in any plan materials summarizing the terms of the coverage information specifying the plan's AV and the metal level (or next lowest metal level) the coverage would otherwise satisfy. We estimate that there are 46 issuers of student health insurance plans and 1,237,980 individuals with a student health insurance policy or certificate. Therefore, on average, each issuer will need to provide approximately 26,913 notifications annually.²

Under §§ 147.150, 156.135, and 156.140, issuers offering non-grandfathered plans in the individual and small group market are required to calculate a plan's AV and its corresponding metal level; thus there is no additional burden required for the issuers of student health insurance coverage to determine these values. This burden estimate encompasses the addition of language to specify, in plan materials, the AV of the coverage and the metal level (or next lowest metal level) the coverage would otherwise satisfy. We estimate that each student health insurance issuer will require an average of one hour for clerical staff (at a labor cost of \$44.52 per hour) to insert the AV and metal level information into plan documents; resulting in a total time requirement of one hour and an associated cost of \$44.52 per issuer. For the 46 issuers currently providing student health insurance, the total combined hour burden is estimated to be 46 hours with a total combined cost of approximately \$2,048 annually.

TABLE 2: Cost Estimate for the Actuarial Calculation and Inclusion in Enrollment and Plan Documents

Type of Respondent	Number of Respondents	Average Number of Notices per Respondent	Average Burden Hours per Respondent	Total Burden Hours	Wage per Hour (including fringe)	Total Labor Costs
Student Health Plan Issuer	46	26,913	1	46	\$44.52	\$2,047.92

13. Capital Costs

The notification requirement requires that language be added to existing plan materials summarizing the terms of the coverage. The addition of this language is expected to be limited to one or two sentences indicating the plan's AV and the metal level (or next lowest metal level) the coverage otherwise would satisfy, which can be done at a negligible cost. Additionally, this information will be included in existing plan documents so there will be no additional distribution costs. Therefore, capital costs are not estimated.

14. Cost to Federal Government

There is no cost to the federal government.

15. Changes to Burden

² Estimate based on data from Medical Loss Ratio submissions for the 2023 reporting year.

The burden hours for the AV and metal level disclosure have decreased by 2 hours (from 48 to 46) due to the decrease in the estimated number of issuers offering student health coverage (from 48 to 46).

16. Publication/Tabulation Dates

There are no plans to publish the outcome of the information collection.

17. Expiration Date

There are no instruments associated with this information collection request.