

Board Meeting
March 16, 2016

APPROVE STUDENT HEALTH INSURANCE RATES FOR URBANA, CHICAGO,
AND SPRINGFIELD CAMPUSES, ACADEMIC YEAR 2016-17

Action: Approve Student Health Insurance Rates for Urbana, Chicago, and
Springfield Campuses, Academic Year 2016-17

Funding: No New Funding Required

The Chancellors/Vice Presidents at Urbana, Chicago, and Springfield recommend approval of student health insurance rates for Academic Year 2016-17. The student health insurance rate, combined with the student health service fee, funds health care programs tailored to meet the needs of the students at the campuses. The campuses consult with student advisory groups on health program coverage and the resulting rate. Students may choose not to participate in the student health insurance program by providing evidence of comparable insurance coverage from other sources. Attached is a summary of the student health program coverage.

As recently as 2014 and 2015 the Urbana and Springfield campuses sought competitive proposals from commercial insurers to underwrite their student plans. Beginning in 2004, the Chicago campus initiated a self-funded student health benefit plan, *CampusCare* to provide benefits and contain costs.

Initially the Patient Protection and Affordable Care Act (PPACA) applied only to commercially insured student health plans, and not to self-funded student benefit plans. However, beginning Fall 2015 the U.S. Department of Health and Human

Services declared PPACA also applied to self-funded plans, like *CampusCare*. PPACA-compliant health plans may not have lifetime or annual dollar maximums on any essential health benefit, or any pre-existing condition limitations. In addition, the plans must provide comprehensive prescription drug benefits, and many of these must be provided without cost to the individual. Plans must also cover pediatric dental and vision benefits. The PPACA encourages the use of campus health services and counseling centers to provide access and cost effective care for students. Given the scope and breadth of the PPACA-mandated benefits our student health insurance rates are very competitive compared to our peer institutions.

For Fall Semester 2016 the Urbana campus continues to be underwritten by United Healthcare, with a 12 percent increase for undergraduate and a 10.5 percent increase for graduate students. The undergraduate plan will have an increase in the outpatient and out-of-pocket maximum deductibles in order to stay within the Affordable Care Act's "gold" metallic band. To move into a "platinum" metallic band would have required a larger premium increase. No change in deductibles will be required for the graduate student plan. For Fall Semester 2016 the Springfield campus plan will be underwritten by Blue Cross Blue Shield, which was the result of a competitive RFP process. Changes include increasing the out-of-pocket maximum and increasing co-payments for brand and specialty drugs. In addition, the Springfield campus has lower participation levels resulting in claims experience being spread over a relatively small base, necessitating a 21 percent increase for undergraduate and graduate students. For Fall Semester 2016 the Chicago campus proposes the rate remain flat for undergraduate and graduate students.

The recommended student health insurance rates are as follows:

LOCATION	ACTUAL RATE, FALL SEMESTER 2016	ACTUAL RATE, FALL SEMESTER 2015
<i>Urbana</i>	Undergraduate--\$320	Undergraduate--\$286
	Graduate--\$409	Graduate--\$370
<i>Chicago</i>	All students--\$570	All students--\$570
<i>Springfield</i>	All students--\$598	All students--\$495

The rates displayed are for the typical undergraduate, graduate, and professional student. Rates may vary for the summer session. Students needing coverage for their spouse and dependents voluntarily pay a separate charge.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The Vice President for Academic Affairs and the Vice President, Chief Financial Officer and Comptroller concur in these recommendations.

The President of the University recommends approval.