

Board Meeting
May 31, 2012

APPROVE STUDENT HEALTH INSURANCE RATES FOR URBANA, CHICAGO,
AND SPRINGFIELD CAMPUSES, FISCAL YEAR 2013

Action: Approve Student Health Insurance Rates for Urbana, Chicago, and
Springfield Campuses, Fiscal Year 2013

Funding: No New Funding Required

The Vice Presidents/ Chancellors at Urbana-Champaign, Chicago, and
Springfield recommend approval of student health insurance rates for Fiscal Year 2013.

The student health insurance rate, combined with the student health service fee, fund
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.

On March 21, 2012, the U.S. Department of Health and Human Services
published final rules related to the applicability of the Affordable Care Act (ACA) to
student health insurance plans. Mandated changes will be phased-in for commercially
insured health insurance programs over the next three years. Students may experience
volatility in health insurance premiums and deductibles during this phase-in period. The

campuses have taken steps to smooth this volatility by re-bidding insurance contracts or stabilizing premiums.

The Urbana-Champaign campus program of insurance is underwritten by United Healthcare. The Fall Semester 2012 plan was reviewed to be ACA-compliant and there will be a zero percent increase for undergraduate and graduate students at the Urbana-Champaign campus.

The Springfield campus program of insurance is underwritten by United Healthcare. An RFP was conducted to select the underwriter and modify the existing plan to become ACA-compliant beginning Fall Semester 2012. Plan limits were increased, as were in- and out-of-network deductibles resulting in a 5 percent decrease in overall premium.

Beginning in 2004, the Chicago campus proposed and initiated a self-funded student health benefit plan, *CampusCare*, to help increase student health benefits and contain costs. All medical care is provided at the University of Illinois Hospital and Health Science System and/or approved regional facilities although severe life threatening emergencies are also covered when necessary at other medical facilities. Working with the University of Illinois Hospital and Health Science System, *CampusCare* has developed and followed proven and accepted quality care protocols, and achieved optimal and cost effective outcomes for the Chicago student population. For FY 2013 there will be a zero percent increase.

The recommended student health insurance rates are as follows:

LOCATION	ACTUAL RATE, FALL SEMESTER 2012	PERCENT INCREASE OVER FALL SEMESTER 2011
<i>Urbana</i>	Undergraduate--\$219	0%
	Graduate--\$310	0%
<i>Chicago</i>	All students--\$401	0%
<i>Springfield</i>	All students--\$270	-5%

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

The Vice President, Chief Financial Officer and Comptroller concur in these recommendations.

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 President of the University recommends approval.