

Board Meeting
March 12, 2015

APPROVE STUDENT HEALTH INSURANCE RATES FOR URBANA, CHICAGO,
AND SPRINGFIELD CAMPUSES, ACADEMIC YEAR 2015-16

Action: Approve Student Health Insurance Rates for Urbana, Chicago, and
Springfield Campuses, Academic Year 2015-16

Funding: No New Funding Required

The Chancellors/Vice Presidents at Urbana, Chicago, and Springfield, recommend approval of student health insurance rates for Academic Year 2015-16. 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 Patient Protection and Affordable Care Act (PPACA) to student health insurance plans, allowing a three-year phased-in approach for commercially insured health insurance programs. Beginning fall 2014 all commercially insured plans may not have annual dollar maximums on any essential health benefit; may not have any pre-existing condition limitation on any age individual;

must cover pediatric dental and vision benefits; and must provide prescription drug benefits. In addition, certain prescription drug benefits must be provided without cost to the individual. The PPACA encourages the use of campus health services and counseling centers to provide optimal access and cost effective care for students. Given the scope and breadth of insurance benefits mandated by PPACA the rates are still very competitive compared to our peer institutions.

After a competitive RFP process, the Fall Semester 2015 plan for the Urbana campus will be underwritten by United Healthcare, resulting in a 2 percent decrease for undergraduate and graduate students. For Fall Semester 2015 the Springfield campus also engaged in a competitive RFP process and the plan will be underwritten by Blue Cross and Blue Shield of Illinois. The Springfield campus has lower participation levels resulting in claims experience being spread over a relatively small base resulting in the need for a 21 percent increase for undergraduate and graduate students.

The Chicago campus, beginning in 2004, 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. 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.

As a self-funded plan, the Chicago campus plan was not initially required to conform to the PPACA. However, new regulations required a review of the plan and the U.S. Department of Health and Human Services has declared that the plan must comply with Minimum Essential Coverage standards beginning with the Academic Year 2015-16. As a result, *CampusCare* must eliminate caps on lifetime benefits limits and prescription drugs and add a few other essential medical services to comply with the federal mandates. For the Chicago campus the Fall Semester 2015 plan necessitates a 21 percent increase.

The recommended student health insurance rates are as follows:

LOCATION	ACTUAL RATE FALL SEMESTER 2015	ACTUAL RATE FALL SEMESTER 2014
<i>Urbana</i>	Undergraduate--\$286	Undergraduate--\$291
	Graduate--\$370	Graduate--\$376
<i>Chicago</i>	All students--\$570	All students--\$471
<i>Springfield</i>	All students--\$495	All students--\$410

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/Chief Financial Officer and Comptroller concurs in these recommendations.

The President of the University recommends approval.