

Board Meeting  
March 6, 2014

APPROVE STUDENT HEALTH INSURANCE RATES FOR URBANA, CHICAGO,  
AND SPRINGFIELD CAMPUSES, ACADEMIC YEAR 2014-15

**Action:** Approve Student Health Insurance Rates for Urbana, Chicago, and Springfield Campuses, Academic Year 2014-15

**Funding:** No New Funding Required

The Chancellors/Vice Presidents at Urbana, Chicago, and Springfield recommend approval of student health insurance rates for Academic Year 2014-15. 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 provided in this final year of PPACA implementation both Urbana and Springfield campuses have significant premium increases, although the rates are still very competitive compared to our peer institutions.

For the Urbana campus the fall semester 2014 plan will be PPACA-compliant necessitating a 15 percent increase for undergraduate and graduate students. In addition, the plan will incorporate coverage for gender reassignment surgical costs. For the Springfield campus the fall semester 2014 plan will be PPACA-compliant necessitating a 29 percent increase for undergraduate and graduate students. *(The selection of the insurance carriers and final rates are subject to approval by the State Procurement Officer, the Chief Procurement Officer for Higher Education, and the Procurement Policy Board.)*

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.

The Chicago campus plan is not currently required to conform to the PPACA, but is regulated by the State of Illinois. For the Chicago campus the fall semester 2014 plan necessitates a 2 percent increase.

The recommended student health insurance rates are as follows:

<b>LOCATION</b>	<b>ACTUAL RATE, FALL SEMESTER 2014</b>	<b>INCREASE OVER FALL SEMESTER 2013</b>
<i>Urbana</i>	Undergraduate--\$291	\$37 (15%)
	Graduate--\$376	\$48 (15%)
<i>Chicago</i>	All students--\$471	\$10 (2%)
<i>Springfield</i>	All students--\$410	\$92 (29%)

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 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.