**Illinois State**

**University**

Board of

**Trustees**

 **Resolution No. 2015.02/05**

 **Renewal of Student Health Insurance**

**Resolution**

Whereas, the University’s Student Health and Accident Plan will expire August 15, 2015, and

Whereas, the Board of Trustees approved the current agreement with Aetna Student Health for the 2012-13 policy year at its February 17, 2012, meeting which included a provision for up to nine renewal periods upon mutual agreement between Illinois State University and Aetna Student Health, and

Whereas, this is the third renewal between Illinois State University and Aetna Student Health:

Therefore, be it resolved that the Board of Trustees of Illinois State University awards to Aetna Student Health the renewed agreement for the 2015-2016 policy year.

Be it further resolved that the Board of Trustees approves the student health insurance rate of $249 for the fall 2015 and spring 2016 sessions and $187 for the summer 2016 session.

Board Action on:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Postpone:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Motion by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Amend:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Seconded by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Disapprove:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Vote: Yeas:\_\_\_\_\_\_Nays:\_\_\_\_\_\_ Approve:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ATTEST: Board Action, February 20, 2015

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Secretary/Chairperson

Renewal of Student Health Insurance Plan

For Policy Year 2015-2016

Each year Aetna Student Health develops a renewal percentage that represents the increase in the plan for the next year. The percentage is calculated using a mathematical formula that estimates medical trends, pooling charges (method by which each member of an insurance pool shares in each and every risk written by the other members of the pool), adjustments in the pooling charge for high dollar claims, impact of plan changes, and any rate increases experienced by the plan. The formula incorporates a blend of the plan’s most recent two years of claims and premium data that has been used for more than ten years on ISU renewals.

Due to changes mandated by the federal Affordable Care Act (ACA), the SHIP was required to add coverage for additional essential benefits (prescription drugs, rehabilitation services, pediatric dental and vision services) for the 2014-2015 policy year. The ACA also required the removal of the pre-existing condition exclusion and the aggregate plan maximum, along with a taxes and fees increase.

Representatives from the Student Insurance Office and Student Health Services with the assistance of an insurance plan consultant with Schlomann & Associates LLC, negotiate with Aetna Student Health to obtain the best plan at the lowest rate for Illinois State University students. Although changes in the ACA resulted in a 33% increase in the costs of the student health insurance plan, through previous years premium planning favorable claims experience, and funds from the Premium Stabilization Reserve (PSR), the University is able to offer a rate increase of 6.9% for students enrolling in the student health insurance plan for the 2015-16 plan year.

The proposed Aetna rates and use of the Premium Stabilization Reserve are as follows:

Premium Comparison: Current and Proposed

|  |  |  |
| --- | --- | --- |
|  | 2014-2015 current | 2015-2016 proposed |
| Semester Premium | 250 | 250 |
| On Call Premium |  3 |  3 |
| Administrative charge |  10 |  10 |
| Subsidy from PSR |  30 |  14 |
| Fee assessed to student | 233 | 249 |
|  | 2014-2015 current | 2015-2016 proposed |
| Summer Premium | 192 | 192 |
| On Call Premium |  1 |  1 |
| Administrative charge |  5 |  5 |
| Subsidy from PSR |  23 |  11 |
| Fee assessed to student | 175 | 187 |