**Illinois State**

**University**

Board of

**Trustees**

 **Resolution No. 2017.01/04**

 **Renewal of**

 **Student Health Insurance**

**Resolution**

Whereas, the University’s Student Health and Accident Plan will expire August 20, 2017, 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 fifth 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 2017-2018 policy year.

Therefore, be it further resolved that the Board of Trustees approves the student health insurance rate of $249 for the fall 2017 and spring 2018 sessions and $187 for the summer 2018 session.

Board Action on: Postpone:

 Motion by: Amend:

 Second by: Disapprove:

 Vote: Yeas: Nays: Approve:

ATTEST: Board Action, January 13, 2017

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 Secretary/Chairperson

Renewal of Student Health Insurance Plan

For Policy Year 2017-2018

Each year Aetna Student Health (ASH) 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 Student Health Insurance Plan was required to add coverage for additional essential benefits (prescription drugs, habilitation 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. For the 2016-2017 policy year, the ACA metallic testing of the plan required a change in benefits. In order to meet that requirement and remain a Platinum Plan, the highest rating by the ACA, the maximum annual plan out of pocket changed from $1000 to $1250. No significant plan changes are required by the ACA for the 2017-2018 policy year.

Representatives from the Student Insurance Office and Student Health Services, with the assistance of an insurance plan consultant with Schlomann & Associates LLC, negotiate with ASH to obtain the best plan at the lowest rate for Illinois State University students. Although three years ago 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 was able to offer rate increases of 6.9% for the 2014-2015 and 2015-2016 plan years. Based solely on claims experience, ASH proposed a 10.8% premium increase for the 2017-2018 plan year. However, after negotiations and the end of the ACA Reinsurance Contribution tax, a 3.5% increase is recommended. In order to keep the cost to students flat, the 3.5% increase can be subsidized by the PSR. *Therefore, for the 2017-2018 plan year it is recommended a flat rate/zero percent increase to students enrolling in the Student Health Insurance Plan.* This would be the third consecutive year students would have the same Student Insurance rate.

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

Premium Comparison: Current and Proposed

|  |  |  |
| --- | --- | --- |
|  | 2016-2017 current | 2017-2018 proposed |
| Semester Premium | 232 | 240 |
| On Call Premium |  3 |  3 |
| Administrative charge |  10 |  10 |
| Subsidy to/from PSR |  +4 |  -4 |
| Fee assessed to student | 249 | 249 |
|  | 2016-2017 current | 2017-2018 proposed |
| Summer Premium | 176 | 182 |
| On Call Premium |  1 |  1 |
| Administrative charge |  5 |  5 |
| Subsidy to/from PSR |  +5 |  -1 |
| Fee assessed to student | 187 | 187 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | NIU | SIU | EIU | WIU | ISU | U of I Undergraduates | U of IGraduates |
| Carrier | Blue Cross Blue Shield | Aetna Student Health | Self Insured | Blue Cross Blue Shield | Aetna Student Health | United Healthcare | United Healthcare |
| Semester fee | $950 fall;$950 spring/summer combined;$343 summer only | $650 fall;$650 spring/summer combined;$ summer only | $110 fall;$110 spring;$88 summer | $705 fall;$705 spring/summer combined; $ summer only | $249 fall;$249 spring;$187summer | $320 fall;$320 spring;$320 summer | $409 fall;$409 spring; $409 summer |
| Deductible | $250 annual in network; $700 out of network(& additional $150 each ER) | $100 in-network;$150 out of network | $50 per condition | $750 in network; $1500 out of network | $50 annual; waived if other insurance | $150 outpatient; $100 inpatient per confinement | $150Outpatient;$100 inpatient per confinement |
| Stop Loss (student maximum out of pocket per policy year) | $5250 in- network; $8000 out of network | $1100 in-network; $2000 out of network | None | $6600 in- network; $12,800 out of network | $1250 | $6350 | $1800  |
| Plan Maximum | Unlimited | Unlimited | $20,000 annual | Unlimited | Unlimited | Unlimited | Unlimited |

Consortium Insurance Plans 2016-17 Plan Year

Compiled fall semester 2016