Today’s Lecture
U of I Student Health Insurance Plan
Undergraduate Plan

Benefit Provisions
General Limitations
Reduction of Benefits
Examples

Hospital Expense Benefits
Room and Board
Not to exceed average semi-private room rate
$100 deductible applies here
Hospital Expenses
Operating room, drugs, x-rays, laboratory tests, medical supplies while confined

Hospital Expense Benefits
Example
Hospitalized for 10 days for meningitis
Room and board $500/day (ave. semi-private)
Room and board $5000
Drugs $2500
Lab Tests $5000
Medical Supplies $2000
Total hospital expenses $14,500

Hospital Expense Benefits
Example
You pay $100 deductible
Of the remaining $14,400, they pay 80% of the next $10,000 and all of the next $4,400.
Amount payable by Student Health Plan:
$12,400
You pay $2,100 ($100 deductible plus 20% of $10,000)

Outpatient Expense Benefit
Only covered for accidental injury:
Dental expenses
Splints, casts, crutches and braces
Accidental injury must have occurred while insured

General Exclusions
and Limitations
Pages 13-14

1 Services and supplies related to nicotine addiction
6 Dental treatment except as specifically provided in the Schedule of Benefits
8 Injury sustained participating in interscholastic or professional sport, contest or competition (including traveling or practicing)
12 Injury caused by or resulting from the use of alcohol, illegal drugs or any drugs or medicines not taken in the dosage...
16 Participation in a riot or civil disorder; commission of or attempt to commit a felony
20 Routine physical exams...
24 Skydiving, etc... or a flight in any kind of aircraft except as passenger on a regularly scheduled flight of a commercial airline
26 Suicide or attempted suicide while sane or insane (including drug overdose) or intentionally self inflicted injury
Reduction of Benefits

Applies when covered person has other valid coverage, specifically:
- Hospital or Medical Insurance
- Group Insurance
- Auto Medical Payments
- Employee Benefit Plan

Does not include third party liability coverage

Calculating the Reduction of Benefits

Initial Benefit Payment
Benefit is reduced by 50%

Statement
“No more than 100% of the eligible expenses are compensable between this Plan’s benefits and the benefits of any Other Valid Coverage…”

Calculating the Reduction of Benefits
If the Initial Benefit Payment (under U of I plan) plus other benefits are less than 100% of eligible expenses, then an Additional Benefit Payment will be made.

Additional Benefit Payment = the lower of:
- Normal Benefit - Initial Benefit Payment or
- 100% of Eligible Expenses - (Initial Benefit Payment + Other Valid Coverage)

Example
You incur $5200 in Outpatient Miscellaneous Illness and Accident Expenses during the year.

Eligible Expenses $5200
Normal Benefit $4000

[(5200-200) x .8 = $4000]
Other group insurance pays $2700.

Example - (Cont.)

Initial Benefit Payment
.5 x $4000 = 2000
Other Valid Coverage = 2700
Total = 4700

Additional Benefit Payable
Lower of
4000 - 2000 = 2000
5200 - 4700 = 500

Total Benefit Payable
Initial Benefit Payment 2000
Additional Benefit Payment 500

Insured receives $2500 from U of I Plan plus $2700 from the other coverage for a total of $5200, the total expenses.
Insurance Premiums by Year
Undergraduate Plan