



MINUTES
BOARD OF TRUSTEES OF THE
TRUSTEES OF PURDUE UNIVERSITY
AUDIT AND INSURANCE COMMITTEE
JULY 15, 2013

A meeting of the Audit and Insurance Committee of the Board of Trustees of The Trustees of Purdue University convened in Room 326 of Stewart Center, Purdue University West Lafayette, Indiana at 1:02 p.m. on July 15, 2013. All committee members were present in person or, where specifically noted, by means of electronic communication pursuant to the Electronic Meeting Policy: Michael Berghoff, chair; Vanessa Castagna (by phone); and John Hardin. Other trustees in attendance were: JoAnn Brouillette (by phone); Gary Lehman (by phone); and Kelsey Quin. Also in attendance were: Al Diaz, Executive Vice President for Business and Finance, Treasurer; Jim Almond, Senior Vice President for Business Services and Assistant Treasurer (by phone); Tom Parent, Legal Counsel; and Janice Indrutz, Corporate Secretary.

I. APPROVAL OF HEALTH CARE PLAN OPTIONS AND RATES

Committee Chair Berghoff stated that the purpose of the meeting was to review the proposed changes to the university's health care plans and rates for 2014 as outlined in a memorandum from Luis Lewin, Vice President for Human Resources, to the Audit and Insurance Committee. He acknowledged the significant amount of work and effort put into the plans and noted that the plans will affect 27,000 people (employees and their families). Treasurer Diaz explained that the Health Care Strategy Committee was formed largely due to the major influence of national health care reform on the university's program and increasing medical costs.

Steve Abel, chair of the Health Care Strategy Committee, was present and discussed the makeup of the committee; he thought it was critically important to recognize that the committee represented all aspects of the university workforce. Dr. Abel reviewed the focus of the committee and discussed its four short-term recommendations. Eva Nodine, Director of Benefits, then presented data about the current 2013 plan and reviewed the committee's five guiding principles for the 2014 plan. She discussed national health care reform regulations, with which the university must be compliant, then provided details of the 2014 plan design changes. Ms. Nodine also provided data from benchmarked peer institutions and other Indiana employers, and she demonstrated the university's health care costs for the past decade, highlighting that the new plan design will decrease the university's health care expenses by approximately 3.1%. Ms. Nodine concluded the presentation by outlining health plan strategies, which included encouraging consumerism, providing tools to educate employees about the health plan options, and developing partnerships. Questions from the Board included the impact of the Center for Healthy Living, the impact of the new plans on the regional campuses, and the Castlight tool. Trustee Lehman also expressed interest in the percentage of preventive medication for which the university pays.

Following discussion, and upon proper motion duly seconded, the Audit and Insurance Committee voted unanimously by roll-call vote to recommend full Board approval of the 2014 health care plan options and rates. A copy of Vice President Lewin's memo and the presentation will be filed with the minutes.

II. ADJOURNMENT

By consent, the meeting adjourned at 2:12 p.m.