CAMPUS CONNECTION

Welcome Back Everyone!

Although many of us haven’t been gone all summer, we are excited and ready for the new school year. With a fresh group of students excited to join our campus and returning students ready to get back to work, let’s make this a fantastic year for all of them!
WEST LAFAYETTE, Ind. — Due to significantly increasing health care costs projected for 2018, Purdue faculty and staff will see an increase of 7 percent in medical plan premiums in 2018. However, a new incentive wellness plan focused on encouraging health awareness and engaging with a primary care provider also will be introduced in 2018, offering eligible employees the opportunity to earn additional health savings account and health reimbursement account contributions. The Purdue Board of Trustees on Friday (Aug. 4) approved the 2018 premiums, medical plans and wellness incentive plan. University costs under the plans also will increase by 7 percent.

The same three medical plan options with Anthem Blue Cross Blue Shield available in 2017 will be offered in 2018.

Background
For calendar year 2014, Purdue redesigned the medical plan offering and reduced total employer and employee medical costs by approximately $25 million. Given the substantial reduction in overall costs, the University added certain coverages (preventive dental, bariatric surgery and full autism coverage) in calendar years 2015 and 2016 to address the needs of Purdue employees and their families.

Total health care costs in calendar year 2014 were $155.2 million. For calendar year 2017, total health care costs are currently projected to be approximately $183 million, an 18 percent increase over the three-year period, and an 8 percent increase over calendar year 2016. A number of factors have contributed to the increase in total costs:

* The number of covered employees has increased 5.7 percent.
* Overall medical inflation has been approximately 6.5 percent annually.
* The additional coverages added, discussed above.
* The number of high-cost claims and chronic conditions within our covered population continues to increase; high-cost claims rose 21 percent in recent years and the cost of chronic conditions increased from 49.8 percent of total costs to 60 percent over that same time frame.

Historically, the University has borne approximately 70 percent of the overall costs, and employees have borne approximately 30 percent of the costs. Over the past three years, the University has consciously limited the increase in employee premiums, and the ratio of employer to employee costs has moved to approximately 74 percent employer / 26 percent employee.

2018 plan
For calendar year 2018, the University is projecting its total health care costs to increase to approximately $199 million, inclusive of over $3 million targeted to be spent by the University on various wellness initiatives.

Excluding this $3 million wellness investment, the health care cost projection represents an approximate 7 percent increase over projected 2017. As such, the 7 percent increase in both employer and employee premiums for 2018 will bring the employer annual contribution total in 2018 to $10,850 per employee, versus $10,140 for 2017.

Due to the trends and costs mentioned above, the University will introduce a wellness program with incentives to encourage employees and their dependents to be aware of their health risks and become more active in maintaining/improving their overall health. This campaign will encourage employees to engage with a primary care provider and work toward healthier choices. With 60 percent of Purdue’s total health care costs driven by behavior-based and chronic conditions, this initiative directly aligns employees to focus on prevention, awareness and healthier choices, hopefully resulting in lower costs (or at least lower increases) in the future.

Purdue will work closely with the new Center for Healthy Living vendor on the West Lafayette campus to coordinate all wellness programming. Human Resources also will continue to review the scope of services at both the Center for Healthy Living and the Purdue University Student Health Center to determine if there is potential to integrate or share services to bring greater cost efficiency across the entire campus population.

The Center for Healthy Living provides numerous health management and wellness offerings throughout the year at no cost to benefits-eligible faculty, staff and their spouses covered on a Purdue health plan.

Wellness programs are also available at the Indiana University-Purdue University Fort Wayne and Purdue University Northwest campuses.

More information will be shared in the weeks leading up to the open enrollment period of Oct. 23 through Nov. 10.

ARTICLE LINK
Among the questions that have come in regarding NewU -- the acquisition of Kaplan University -- are those related to the purpose of the acquisition and how it addresses Purdue's mission. Below is a brief summary provided by Frank Dooley, senior vice provost for teaching and learning.

Purdue’s land-grant status stems from the Morrill Act of 1862. The purpose of the creation of land-grant colleges was to provide a practical education to a broad segment of the population (APLU, including the “sons of toil” who had not been seen as potential students to earlier universities). In part, creating a better educated populace reflected the need for more educated individuals as part of the Industrial Revolution. The original land-grant status has been expanded twice, in each case expanding access to higher education to additional segments of the population. First, in 1890, the historically black colleges were granted land-grant status. In 1994, land-grant status was extended to tribal colleges. Some suggest the time is ripe for a further expansion of the land-grant mission to serve adult learners with some college credit but no college credential. Michael Crow, president of Arizona State University and author of “Designing the New American University,” argues that more adults need to complete college to participate in an information age economy. The creation of national service universities, some predict, is the next evolutionary wave in higher education.

Thus, the purpose of the NewU acquisition is to expand educational opportunities to more students, especially those with limited access to college today. Purdue, as Indiana’s only land-grant university, takes very seriously its commitment to expanding access to higher education. This acquisition enables Purdue to serve a much broader, nontraditional population of adult learners who are balancing work and family responsibilities with their desire to further their education and acquire important skills for the workplace.

Serving this population requires a set of online program offerings and technical student support capabilities that the Purdue system currently does not have in place. Moreover, it requires pedagogies aimed at adult learners. Were Purdue to attempt to develop such capabilities on its own, it would take many years and significant financial investment, and there would be no guarantee of success.

Given the well-documented need for education beyond high school, the new university can contribute to Indiana’s goal of increasing higher education attainment to 60 percent of the state’s population. NewU will fill a niche in the Purdue system that is geared toward making education more broadly accessible, which will also have direct economic implications for the state of Indiana.

NewU expands Purdue’s land-grant mission to serve adult learners, using a proven infrastructure to offer online programs at scale. Kaplan University has been successful in educating higher-risk students (defined by the U.S. Department of Education as exhibiting several characteristics, including single parents working full time while attending school part time, being older with legal dependents other than a spouse) and has a strong assessment culture that measures learning outcomes through competency-based programs, critical-thinking assessments, alumni surveys and income growth measurements. KU, like Purdue, is accredited by the Higher Learning Commission.

A video is available here in which a Kaplan University graduate talks about her work as director of a child advocacy center. More on NewU is available at www.purduenewu.org. Reminder: Questions have been compiled and are available online at www.purduenewu.org/faq.pdf.