A joint meeting of the Faculty, Compensation and Benefits Committee and Health Plan Advisory Committee was held and, after introductions, the following was discussed:

**2010 Medical Plan** - Tim Simpson reported on the Vendor Evaluation handout prepared by Mercer on the following insurance companies: UnitedHealthcare (current vendor), Aetna, Anthem, and CIGNA. Each of the vendors submitted thorough responses to the Request for Proposal. A summary of the evaluation and Mercer’s recommendation is as follows:

a) Aetna was eliminated due to limitations of provider network, provider discounts, and high administrative fees;

b) Anthem was eliminated from consideration due to concerns about network stability; very high administrative fees; claims administration has been inconsistent among Mercer’s other Anthem clients; declined to provide an on-site ombudsman; unwilling (and unable) to effectively integrate a non-Anthem Pharmacy Benefits Administrator’s with their Consumer-driven Health Savings Account;

c) UnitedHealthcare submitted a very strong proposal that would provide improved savings through different provider network – with little or no disruption in employee/provider relationships; UHC’s “consumer” tools and resources are very good but have some difficulty with basic administration and integration of care management programs; UHC has agreed to provide an on-site ombudsman to resolve claims and customer service issues; while UHC provided the second highest fees at risk related to performance, they declined to provide a trend guarantee;

d) CIGNA submitted the strongest proposal with a very creative approach to managing health (based on programs currently in place with FedEx, Waste Management, and other large employers); administrative for comparable services are lowest among the four vendors; CIGNA has agreed to an on-site ombudsman, significant fees at risk for performance that include a trend guarantee, and a communications credit of $80,000; CIGNA can also provide integration with Purdue’s long term disability plan.
Mercer recommended that Purdue consider CIGNA as their medical benefits manager for 2010. Implementation of the plan would take approximately 6-8 months. A follow-up meeting between Mercer and Purdue has been scheduled for April 2 to review in more depth the care management program administrative issues, funding, etc.

Committee discussion following Mercer’s presentation included:

a) The importance of very little disruption in network providers between UHC and CIGNA - especially mental health/behavioral health providers. A handout was distributed encouraging members to visit the CIGNA website – www.cigna.com to “Find a Doctor” or “Find Hospitals”. A suggestion was made to inform faculty/staff of the website to help educate them on providers in the CIGNA network. John Beelke stated that claims data can also be used to determine what providers to target to join the network.

b) A retiree supplemental health plan and a student insurance plan are additional plans offered by CIGNA and will be a topic of discussion at the follow-up meeting with CIGNA on April 2nd. It was stated that it is essential to have student and retiree health insurance with the same vendor as health insurance for faculty/staff. CIGNA is currently the vendor for Purdue’s disability program.

c) Regarding an account-based/consumer-driven health plan, Jim Layman stated a design has not yet been determined. However, the plan will have a high deductible of at least $1,200 for single and $2,400 for family coverage. There is an IRS limit of $2,700 for single and $5,200 for family coverage. Monies put in the account can be used for retiree healthcare premiums, retirement, long-term care, etc., and is portable upon termination from Purdue. Purdue would also contribute to the health savings account (amount to be determined) along with the employee.

**Bariatric Surgery** – John Beelke reported that there have been inquires regarding coverage for this procedure and stated at one time Purdue did provide coverage. Medicare now covers under restrictions and large employers are starting to cover with certain criteria. Committee members discussed using Centers of Excellence instead of hospitals; the long term effect on the individual resulting in better health and less medical claims and a cost savings; the importance of managing guidelines and being consistent. It was suggested to check with other Universities on their experience. Beelke stated that Purdue will continue to study offering this procedure.

**Dental Plan** - There was a discussion of the lack of a dental plan and the negative effects that poor dental health can have on general health. There was a consensus that dental benefits should continue to be a high priority for the University. Suggestions were made that basic dental coverage could be a first step.

**Next Committee Meeting for FCBC:** April 29, 2009 – 2:30-4:30
Room 298, Physics

Minutes Recorded By: Michele Salla