

## Attitudes Toward Purdue Retirees' Medical Insurance Plans

*Results of a Survey Conducted by the Benefits Subcommittee of PURA, revised Nov. 18, 2011*

The Summer 2011 survey of member attitudes toward the Purdue retirees' health insurance programs revealed a high level of satisfaction with these programs as indicated in Table 1.

Table 1. Satisfaction with PURcare and Medicare Advantage-PPO Plans.

<i>Level of Satisfaction with plans</i>	PURcare		Medicare Advantage-PPO Plan	
	Number choosing	Percent	Number choosing	Percent
Extremely satisfied	116	43%	8	29%
Satisfied	137	51%	16	57%
Somewhat dissatisfied	13	5%	2	7%
Very dissatisfied	1	1%	1	4%
Not sure	3	1%	1	3%
Total	270	100%	28	100%

*Findings:* There is overwhelming satisfaction with the PURA plans. 94% of PURcare respondents and 86% of Medicare Advantage respondents were either satisfied or extremely satisfied with their plan. These are very high evaluations for a service industry. Purdue retirees overwhelmingly endorse the plans.

Table 2. Members' Value and Loyalty, PURcare Plan Only.

<i>Judgement</i>	Strongly Agree	Mostly Agree	No Opinion	Somewhat Disagree	Strongly Disagree	Total	No.
It is Important that Purdue offers these plans	94%	4%	1%	0%	0%	100%	271
I am confident these plans are best buys	62%	31%	3%	3%	1%	100%	273
I need to shop around to	0%	7%	20%	27%	46%	100%	255

find a better plan							
I intend to stay with these plans	86%	12%	2%	0%	0%	100%	272
The Purdue plans meet all my needs	48%	44%	3%	4%	1%	100%	269

*Note: Respondents were permitted to choose more than one response.*

*Findings:* Table 2 indicates that 98% of retirees want Purdue and PURA to continue providing health insurance. 93% of respondents mostly agree that PURcare is a best buy, 98% intend to stay with the plan, and few contemplate shopping for alternative insurance. Respondents' independent comments also generally supported these high levels of satisfaction.

Loyalty to the plans is strong. Many comments suggest respondents are comfortable delegating their complex insurance decisions to PURA.

The Medicare Advantage respondents were only slightly less loyal to the program. 25% strongly or mostly agreed that they needed to shop around, but 86% thought it was a best buy, 83 percent planned to stay with their plan, and 86% thought it met all their needs.

Table 3. Reasons for Participating in Programs.

<i>Reasons for Participation</i>	PURcare		Medicare Advantage-PPO	
It's the only group I'm qualified for	111	15%	14	18%
I like the Purdue connection	183	24%	17	22%
PURA/Purdue insure a good policy for money	262	35%	27	35%
I like the Purdue local office	195	26%	19	25%
Other	1	0%	0	0%
Sum of responses		100%		100%

*Note: Respondents were permitted to choose more than one response.*

*Findings:* The Purdue connection and PURA/Purdue management of PURcare are very powerful factors in PURcare and Medicare Advantage membership recruitment and retention. Respondent's comments indicate strong trust, loyalty and confidence in Purdue's and PURA's management of PURcare. Members believe this gives them a program tailored to their needs and sensitive to their concerns.

Many do not see PURcare as just another Medicare supplement choice. Rather it is viewed as a preferred plan because of Purdue and PURA's management and oversight.

Table 4. Factors Affecting Insurance Purchase Decisions, PURcare Only .

<i>Motivations</i>	Rank 1 Highest	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6 Lowest	Total	Number	Mean Rank
Premium	31%	18%	23%	18%	9%	0%	100%	257	2.56
On campus, local service	14%	13%	13%	16%	37%	7%	100%	250	3.70
Freedom of Dr. choice	62%	20%	13%	3%	1%	0%	100%	268	1.62
Broad drug formulary	16%	29%	18%	20%	17%	1%	100%	260	2.94
Low deducts, copays	18%	23%	22%	23%	11%	1%	100%	256	2.89
Other	50%	0%	0%	0%	0%	50%	100%	6	

*Note: totals do not add to the number of respondents because some used the same rank more than once and some did not rank all factors.*

*Findings:* There is general support for most of the PURcare purchase motivations in table 4. Many respondents indicated all of the benefits there were important and did not force rank them.

The intent of the first ranked choice (62%) "freedom of choice of doctors" was to measure respondents' attitudes toward an in-network versus the PURcare non-network plan. No doubt this freedom of choice is important to members. However, the extremely high rank may be due to respondents objecting to government or insurance companies mandating or restricting doctor choice.

"Premium" was the second highest ranked factor affecting insurance decisions (49% top 2 PURcare ranks). The survey questions made no attempt to price the benefits/services or determine what respondents would be willing to pay for them. However, there is evidence in the comments that many respondents take a cost/benefit approach to this question, recognizing that PURcare is a higher cost-high benefit plan which they are willing to pay for. These results and the Purdue loyalty shown in tables 3 and 4 suggest PURcare membership is not highly price responsive at current premium levels, though premiums are clearly important to Purdue retirees.

The Medicare Advantage members are somewhat more price conscious. For the 29 MA-PPO respondents, “premium” was the most important factor (86% for first 2 ranks) with “freedom of doctor choice” a close second (69%). There were several comments indicating a perceived high premium perception of Medicare Advantage-PPO respondents and a desire to keep these premiums as low as possible.

“On campus service” ranked the lowest of the factors affecting insurance choice (60% of PURcares ranking it a 4, 5 or 6; 52% of Medicare Advantage-PPOs). This is not fully consistent with the many comments praising this office and service. It is not clear respondents differentiated carefully between United Health service and Purdue’s on-campus service. Comments recognized that United Health created many of the problems. Some comments on campus service suggest some out of state members do not feel they can easily use the Purdue customer service office.

“Broad drug formulary” and “low deducts/copays” were also ranked lower as purchase motives in table 4. 18% ranked the formulary as lower ranked 5 or 6. In contrast the drug provisions, “no prior approval or step therapy” were by far the highest ranked benefit in table 5 (71% rank 1). “Low deductibles and copays” also ranked rather low in table 5. Remember the forced choices in the tables indicate relative values not absolute values, and many ranked all factors #1. As with PURcare, broad drug formulary and local service were the lowest ranked Medicare Advantage-PPO factors.

Table 5. Ranking of Plan Benefits, PURcare Only.

<i>Benefits</i>	Rank 1 Highest	Rank 2	Rank 3	Rank 4	Rank 5 Lowest	Total	Number	Mean Rank
Health club	20%	27%	10%	18%	25%	100%	247	3.02
Nurse Hotline	9%	22%	25%	27%	17%	100%	241	3.22
Vision care	54%	32%	8%	4%	3	100%	276	1.63
No prior drug approval, step therapy	71%	17%	8%	2%	1%	100%	258	1.45
Foreign travel coverage	16%	26%	14%	19%	25%	100%	238	3.13
Optum discount	17%	24%	41%	12%	7	100%	233	2.73
Caregivers, resource hotline	13%	28%	33%	15%	10%	100%	242	6.92
Home health care,	31%	34%	23%	6%	6%	100%	246	2.24

recovery								
Other	60%	40%	0%	0%	0%	100%	5	

Note: Respondents were permitted to use the same rank as often as desired.

*Findings:* Of the benefits ranked, drug provisions (no prior approval or step therapy) ranked highest (71% rank 1), with vision care second (54% rank 1). Vision care reimbursement was often mentioned as a problem in the comments.

All benefits received some favorable rankings. The rankings for health club membership, nurse hotline, and foreign travel coverage were bimodal with both large positive and negative ratings. Of these, health club choice and foreign coverage received several negative comments. Note: the benefits committee is dropping private duty nurse for 2012 and caregiver benefits and retaining nurse hotline, health club membership, foreign travel and home recovery. Since United Health reports no usage of foreign travel coverage, private duty nursing, and home healthcare, those ranking these as valuable are probably indicating they wish to reserve these for future use or deem them desirable for their fellow retirees.

The few MA/PPO respondents also ranked vision care and drug provisions highest (46% rank 1 and 2). They were split on health clubs (46% rank 1 and 2, 42% rank 4 and 5).

Conclusions: The Purdue retiree health insurance plans are widely regarded as necessary, valued and appropriate. The benefits committee will continue to monitor these and adjust them to the needs of Purdue retirees. Thanks to all who participated. Questions about the survey may be addressed to Joe Uhl, uhl@purdue.edu