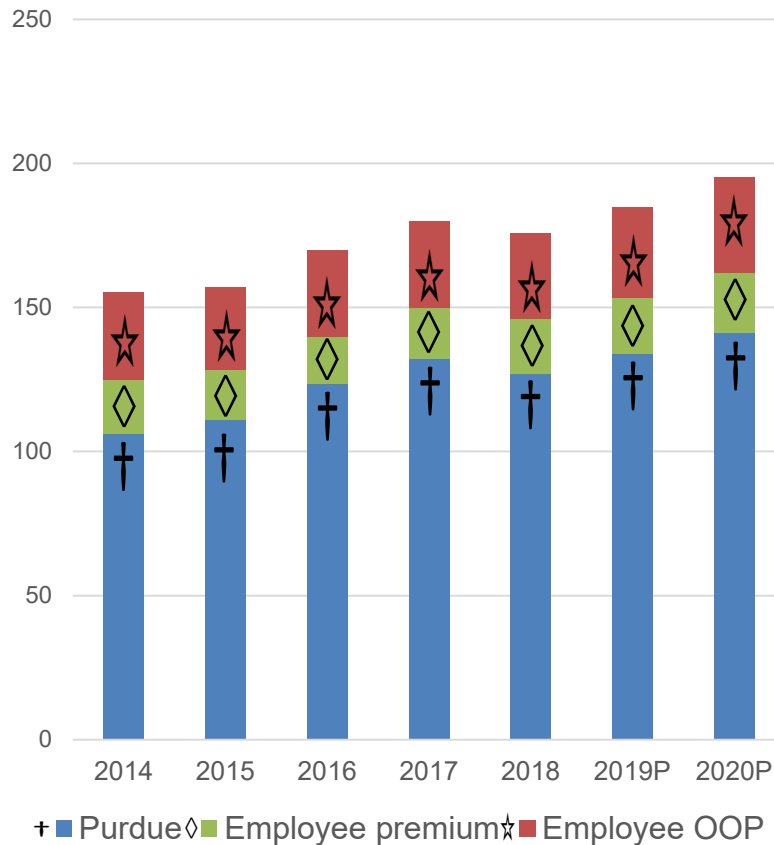


BOARD OF TRUSTEES 2020 Health Plans

August 2, 2019

Purdue Health Plans – Overview

Healthcare Spend



\$ in millions

Plan Demographics

- 12,728 active eligible employees
- 25,878 total members (employees, spouses, dependents)
- 45% single; 25% family; 17% employee + spouse; 13% employee + children
- 80% in HDHP; 20% PPO
- 48% annual physicals in CY 2018, compared to 39% average over previous 3 years
- 159 additional spousal opt-outs for 1/1/2019

Recent History of Benefits Changes

- 2014
 - Three plans (2 HDHP; 1 PPO)
 - Anthem contract; savings used to reduce employee premiums
- 2015-2016
 - No employee premium increases
 - Added free preventive dental
 - Added autism and bariatric
- 2017
 - Mid-America contract for labs; Imaging/radiology offered at PUSH
 - Healthy Boiler provided additional financial incentives for wellness activities and education
 - Employee premium increase (4%)
- 2018
 - CVS contract for pharmacy administration
 - Numerous measures to reduce administrative costs
 - Employee premium increase (7%)
- 2019
 - Employee premium increases (6%) and plan design changes
 - Numerous initiatives in progress to address high costs (e.g. direct provider agreements; facility feasibility; pharmacy review)

CY 2020 Healthcare Recommendations

Strategy	Plan Savings	Employee Savings
No employee premium increase		X*
Index \$44k salary tier by merit; \$45,500 for 2020		X
Increase tobacco user rate from \$500 to \$1,000/year	X	
Add new premium rates for working spouses	X	
Premium increase pre-65 retirees (5%)	X	
Specialty Rx Management	X	X
Cancer concierge	X	X
Prescription concierge	X	X
Sunset PPO; replace with HDHP 1/1/2021	X	
Health Sync Tier	X	X

***No increase will save employees \$1m vs. cost trend**

NOT RECOMMENDED FOR 2020:

- Cost share on preventive dental
- Further expansion of HSA incentives/lowering base amount

Communications/Engagement

- Since December, monthly meetings with 25 stakeholders from APSAC, CSSAC, Univ. Senate
- Peter Goldsbrough, chair, FCBC
 - “The Faculty Compensation and Benefits Committee has been providing feedback on the medical benefits offered, changes that are being considered and suggestions on improvement” – April 2019 University Senate meeting remarks
- All employees receive weekly articles beginning July 8
 - Each week focuses on one healthcare topic
- Extending open enrollment to include two weekends
- Open enrollment presentations, labs, 1 on 1 assistance on campus starting in August; may include on-line town hall
- Open enrollment starts on 10/29