

PURDUE MEDICAL PLANS COST ANALYSIS

Purdue University gives you a choice of medical plans so you can pick the one that makes the most sense for your family situation.

Like us, you should evaluate the plan options every year and make sure you understand the costs. Employees often assume they will pay more with Purdue's HSA 1 and HSA 2 medical plans, compared to the Purdue PPO plan. But when you take into account the higher PPO premiums, as well as the tax advantages offered by HSAs, the financial picture is often more favorable with an HSA plan.

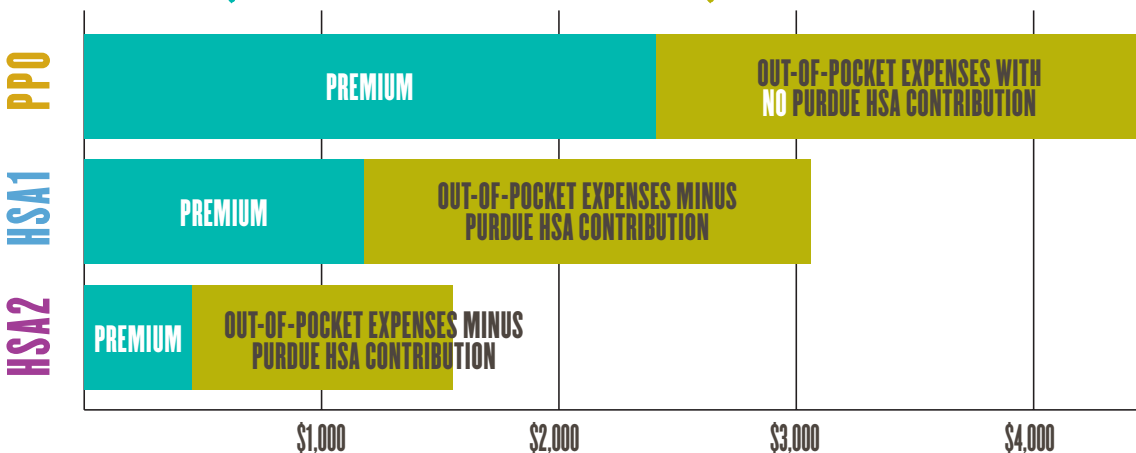
UNDERSTANDING THE TOTAL COST OF PURDUE'S MEDICAL PLANS

A recent study of Purdue's medical plan data revealed that employees enrolled in Purdue's two HSA plans actually spent less overall for premiums and out-of-pocket expenses than those enrolled in the PPO. The chart below shows the **average annual cost of premiums and the average annual cost for medical services paid by employees over a four-year period** for each of our three plans.

- First, compare premiums for each plan.

The annual premium for the PPO is significantly higher than the two HSAs.
- Now add your out-of-pocket expenses.

An HSA plan has higher costs initially, but when you factor in Purdue's HSA contribution, the total average annual expenses were less than the PPO.



AVERAGE ANNUAL EMPLOYEE EXPENSE BY MEDICAL PLAN FROM 2013 TO 2017

Data Source: Summary of Consumer Directed Health Plan Enrollment & Utilization Compared to a Traditional Plan, prepared by LHD Advisers, May 2018.

UNDERSTANDING WHICH PURDUE MEDICAL PLAN IS RIGHT FOR YOU

To help determine which medical plan is best for you and your family, let's look at how the costs stack up across each plan. The charts below compare the costs by plan based on different levels of health care needs for both single coverage and family coverage.

* SCENARIO 1

Good health overall, few services needed throughout the year

Services used:

- 3 Primary Care Physician Visits (sick visits)
- 3 Prescriptions (antibiotics)
- Tier 1 Blood Work
- 2 Urgent Care Visits

* SCENARIO 2

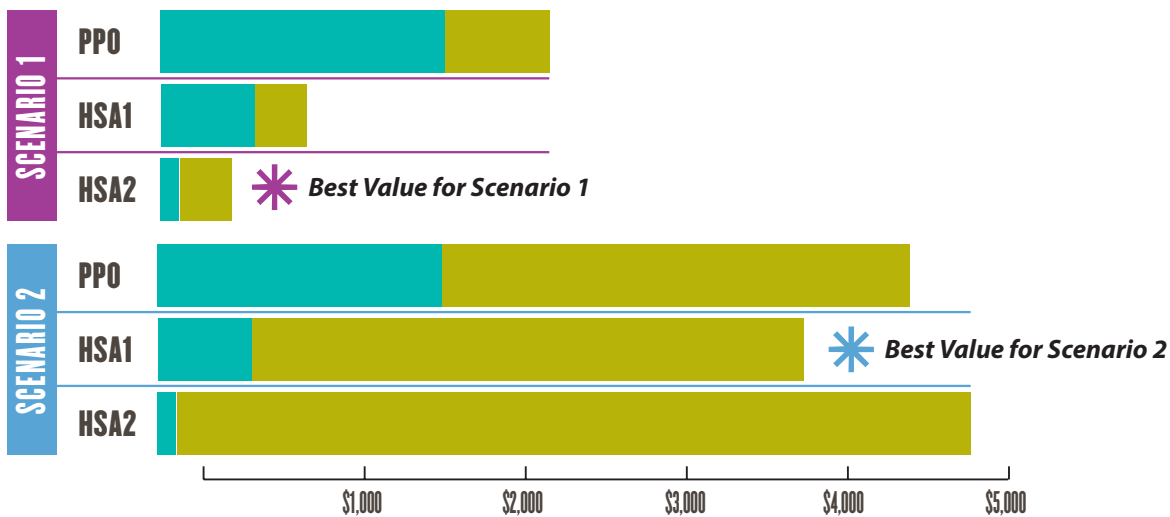
Some health issues, more regular care needed throughout the year

Services used:

- 5 Primary Care Physician Visits (sick visits)
- 3 Prescriptions (antibiotics) and High Blood Pressure Maintenance Prescription
- 2 Tier 1 Blood Work
- Stress Test and EKG
- Heart Stent Surgery & 2-night Inpatient Hospital Stay
- Emergency Room Visit

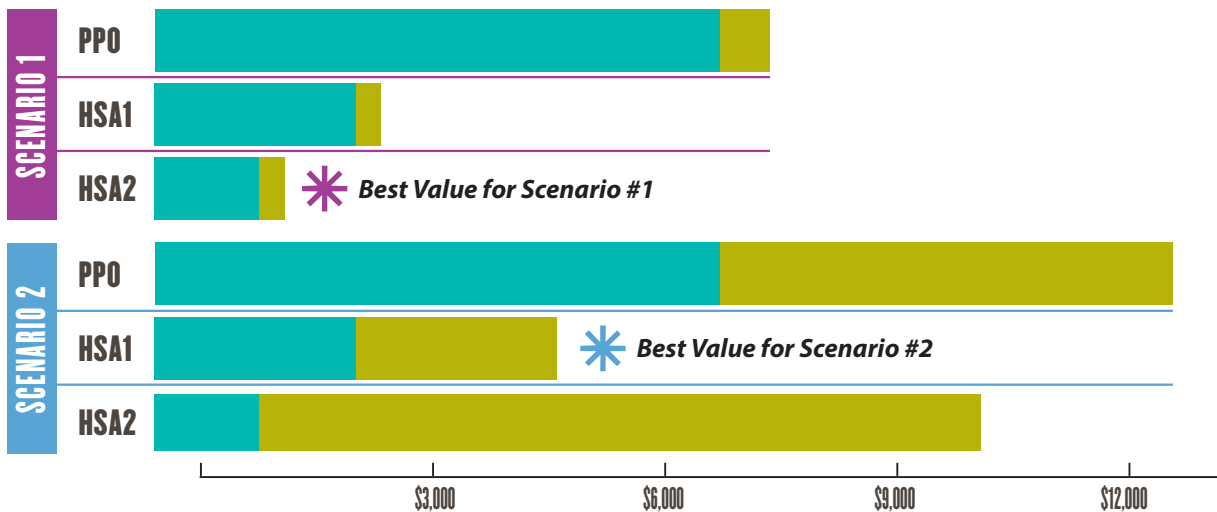
SINGLE COVERAGE

■ Premiums* ■ Out-of-pocket expenses, minus Purdue's base HSA contribution**



FAMILY COVERAGE

■ Premiums* ■ Out-of-pocket expenses, minus Purdue's HSA contribution**



*Premiums used in these examples are premiums for employees earning \$44,000 or more.

**HSA base contribution of \$325 and \$650