

Healthy Boiler Committee Meeting Minutes

January 14, 2019

Attendees: Steve Abel, Bill Bell, Kendra Gardin (phone), Peter Goldsbrough, Michelle Jansen, Evan Perrault, Colleen Robison (phone), Candace Shaffer, Danny Vukobratovich, Stephanie Woodcox, Hannah Austerman, Mary Delaney (phone), Jeff Hadden, Michael Piercefield, Grace Hildenbrand, Jen Hodges, Ashley Byrd, Alexis Norton (phone), Brandy Royer

- Steve gave a brief introduction of the charge and history of the Healthy Boiler committee
- Michael Piercefield gave a description of group health insurance and what it means (**reference slides 3-8 in the PowerPoint**)
 - Cost of care: Unit price defined by the vendor that pays the claim (**slide 5**)
 - Group health contract: By bringing people together, can negotiate for better levels of care (**slide 6**)
 - Market Dynamics & Challenges (**slide 7**):
 - 4 main national vendors (“BUCA’s”): they all own their own national network which helps with unit cost – they have more leverage to go to the hospitals to negotiate lower rate
 - TPA’s – have to pay an access fee to rent a network
 - True independent TPAs are usually smaller regional corporations that have more flexibility but don’t have the ability to build their own network because of lower membership
 - Trend: cost of care from one year to the next
 - New technologies aren’t replacing current technology; they’re supplementing which means there are additional costs
 - Plan leveraging – it’s good plan management to increase out of pockets, deductibles, etc. a little bit each year to spread out increased costs instead of causing huge pain one year; when don’t make plan modifications, plan gets disproportionately leveraged against
 - Don’t have perfect answer to what is appropriate cost share
 - Need to discuss how to get tools and messaging out to our consumers to make good health care decisions
 - Cost of care chart (**slide 8**)
 - At 45, there’s a sharp incline and then again at age 55
 - Around age 50, males become the higher health care users
 - At age 25, females are high because those are peak child bearing ages
 - Average employee age of Purdue is 48 years old (benefits eligible employees only)
- Self-Funding (**reference slides 9-16 in the PowerPoint**)
 - Two ways of paying for health care
 - Fully insured insurance – transfer risk of population to a third party

- Self-fund insurance – this is what Purdue does
- Advantages (**slide 12**)
 - Self-insured often offers as good of, if not better, insurance as fully insured
 - About 70% of cost is paid by Purdue – LHD helps to set the budget for the entire health plan. If there are more high claims than expected, Purdue takes that on
 - State mandated benefits are eliminated which helps when crossing state lines
 - Some states have rules about insurance, leading to a different plan design for each state – avoid this if self-insured
- Disadvantages (**slide 13**)
 - From time claim incurred to paid, there's an inherent lag in system – hospital stays take 60+ days to pay
 - At end of plan year, there are claims incurred in November/December but not paid until January/February so have to reserve money for those claims
- Components of Self-Funding (**slide 14**)
 - TPA – Anthem is Purdue's TPA: process claims, apply discounts, pay claims on behalf of employee
 - Provider network – Anthem is Purdue's network provider
 - PBM – CVS is Purdue's PBM
 - By legislature, Purdue is required to participate in the State buying coalition (IAPPP) – what the State does, Purdue has to follow unless we can prove that Purdue would be better served to not do what State is doing – but on the whole, it's very favorable to be part of that coalition
 - Reinsurance/stop loss carrier – Purdue recently purchased reinsurance
 - Protection for claims that are very high (\$1,500,000+) – most of these are because of expensive drugs and treatments
- 2020 benefits timeline (**reference slides 16-18 in the PowerPoint**)
 - This cycle doesn't really change from year to year usually (last year went to BOT in October, not August, but that was abnormal)
- Key facts and challenges (**reference slides 19-23 in the PowerPoint**)
 - Based on 2017 – will update for 2018 when all claims are in
 - Administrative: Move from Cigna to Anthem led to a \$28 million cost avoidance in 2014
 - Each year do a review with intent to change or just a review of current state
 - Plan design
 - United Benefits Advisor (around 8,000 employers) used for benchmarking
 - Looking at big 10 benchmarking and going to look at Midwest and local employers, too
 - Pharmacy
 - Not sure if 2017 was a bad year or 2018 was a really good year (or combination of both) – 2018 looks similar to 2016 levels
 - Population Health
 - Our top 5 chronic conditions are typically the top 5 for other employers, too

- Cost and risk will go up with additional physicals/screenings but can then make more educated decisions about what to do for chronic diseases – need to remind people to get their screenings
 - Providers
 - Don't always have control over this – some is driven by Anthem
 - Look at independent physicians vs. those associated with hospitals?
 - Cost saving actions to date (**slide 21**): Referral page on Benefits webpage on where to go
 - 2019 calendar year milestones (**slide 22**)
 - Bundles – Medicare has bundles where it looks at common set of procedures (ex. pregnancy, knee/hip replacement) – trying to figure out if can make agreements with providers for these bundles
 - CHL building has to come down eventually – how to replace it? Does PUSH integrate? If so, how? Savings? Size of facility? Location?
 - RFP's – COBRA RFP already released (recommendation should be here by end of month)
 - Disability and medical RFP's are only because it's been several years since it was looked at last
 - Other considerations (**slide 23**)
 - Spousal coverage – will communicate decision out by April/May based on benchmarking
 - Benefit tiers - keep at \$44,000 cutoff? Raise it? Add one or more tiers?
 - Premium rates at percentage of salary – working with Benefitfocus to see if this is even possible
 - Is there a place on campus we can create for site of care service that will be convenient and cheaper?
 - There will be another meeting with faculty/APSAC/CSSAC to see what else we should be considering
- Healthy Boiler Goals (**reference slides 24-25**)
 - Any thoughts on adding/modifying goals?
 - Would like this committee to be less reactive and be more active in getting Healthy Boiler ideas/programs pushed out through University
 - Need to get people to use resources we already have in place – ex. United Way for our own employees
- Membership (**slide 26**)
 - Want to make sure we don't become too large but if we are missing key entities, we need to know who they are and discuss adding them on an ongoing basis or figure out if we can bring them in periodically
- Questions/Comments
 - How to get current employees healthier – incentives? Use recruitment and retention to recruit younger employees that might drop Purdue's mean age lower so we spread the risk across a wider spectrum?
 - Purdue isn't much different than other higher ed clients in terms of average age
 - Benefits to the plan spend come from disease management, not incentives typically

- Difficult to see how much anything costs in medical world
- CHL has a concierge service to help you figure out where to go for different services but it's not been advertised to the masses - wanted this resource to be dedicated for severe cases and not basic questions – still debating if should advertise him or not
 - Look at having a healthy wellness coach handle basic questions then send on to concierge if needed
- How to increase convenience for both employees and health care providers? – Apps? Online? Portal? Fax system?
 - Need advocacy for convenience, comfort, and confidence
 - Need to also consider regionals or extension
- Extension has other wellness programs – how to leverage those resources? There are people in all 92 counties of Indiana.
- Plan design and options discussion – PPO vs. HSA plans: lots of waste in PPO plan – look at grandfathering and move to 3 HSA plans instead of 2 HSA and 1 PPO?
- People are paying attention to who is included and involved on the Healthy Boiler committee – if you're here, make sure to speak up and make your voice heard
- Future meetings
 - Next meetings will be in March and April
 - In March, will discuss risk to our insurance plan (what it is, where Purdue is at, etc.) & review Benefits Enrollment Survey results