

To: West Lafayette Campus Participants in the Purdue Incentive and Purdue Copay Medical Plans  
 From: Luis E. Lewin, Vice President for Human Resources  
 Date: January 20, 2012  
 Re: Lab Charges

**The facts about lab charges:**

**Some eye-opening information about price differences**

We want to thank our Purdue employees for their concerns and questions about IU Health Arnett’s recent announcement that it will not bill Purdue Cigna plan participants for covered lab services.

**The plain facts**

- Tier 1 labs have agreed to process lab tests for very cost-effective prices. That’s why your medical plan covers Tier 1 lab services at no cost to you.
- By its own choice, IU Health Arnett is a Tier 2 lab. Your medical plan requires you to pay 30 percent of the cost when you choose to use a more expensive Tier 2 lab.
- Lab tests done at Arnett are much, much more expensive than lab tests done at Tier 1 labs.

**A few examples**

Test	Tier 1 Labs			Tier 2
	Mid America	LabCorp	Alverno	Arnett
Cholesterol Lipid Panel	\$9.46	\$9.12	\$9.51	\$78.20
Hemoglobin A1C (diabetes)	\$7.05	\$6.79	\$7.09	\$60.35
PSA (prostate cancer test)	\$13.36	\$12.88	\$13.43	\$101.15
Urinalysis	\$2.30	\$2.15	\$2.32	\$17.85

Source: myCigna.com cost comparison tool, January 2012. Costs based on Purdue outpatient medical plan claims data history.

For more examples, and information on how to compare costs yourself, see “Save money using a Tier 1 lab” at [www.purdue.edu/Benefits/Medical/labs.html](http://www.purdue.edu/Benefits/Medical/labs.html).

**Why it matters to you**

While Arnett’s decision not to bill Purdue participants for their 30 percent portion for lab services may be enticing, it’s important to be aware that the 70 percent Arnett will charge to your Purdue medical plan is several times more than a Tier 1 lab will charge your medical plan. Just review the chart above again to see.

Because our medical premiums are based on claim costs, using Tier 1 labs whenever possible will help control our premium increases, which is a big plus for all of us. Extensive use of Arnett labs will almost certainly lead to increases in **employee** medical plan contributions in the future.

## Look how much we can accomplish

If 30 percent of lab tests currently done at a Tier 2 lab were done instead at a Tier 1 lab, Purdue's medical plans would save more than \$1.5 million in 2012. If 50 percent of tests now done at a Tier 2 lab were done at a Tier 1 lab, our medical plans would save more than \$2.5 million in 2012.

If you're not already using a Tier 1 lab, make it your goal to use a Tier 1 lab as often as possible. Our medical plans pay for more than 150,000 tests per year, so the savings – or the expenses – can add up fast.

## Tier 1 lab on West Lafayette campus has easy parking

Tier 1 lab services are now available at the State Street Office Facility (SSOF) near Purdue West. SSOF has onsite parking. Employees and dependents covered under any of Purdue's three medical plans may walk in for service or call for an appointment. Physicians may fax your lab order to SSOF or you may bring the doctor's written order with you.

The Purdue University Student Health Center (PUSH) is a Tier 1 lab draw site for patients age 14 and older. Be sure to tell PUSH that you want your lab work processed by Mid America. Bring your Cigna ID card.

## Tier 1 labs in the West Lafayette campus area are:

- **LabCorp:**  
[3554 Promenade Parkway, Suite E, Lafayette](#)  
(Enter under the Southside Family Practice sign)  
Phone: 765-477-5580 Fax: 765-477-5539  
Hours: Monday-Friday, 7 a.m. – 4 p.m.; closed noon – 1 p.m.; Saturday, 8 a.m. – noon
  
- **Mid America Clinical Laboratories:**
  - **State Street Office Facility (SSOF)**  
[1601 W. State St., West Lafayette](#)  
Phone: 765-494-1872 Fax: 765-474-8460  
Hours: Monday-Thursday, 7 a.m. – 5:30 p.m.; closed 1- 1:30 p.m. and University holidays
  
  - **Unity Location**  
[1345 Unity Place, #125, Lafayette](#)  
Phone: 765-449-1848 Fax: 765-449-8127  
Hours: Monday-Friday, 7 a.m. – 5 p.m.
  
- **Purdue University Student Health Center (PUSH):**  
[601 Stadium Mall Drive, Room G-4, West Lafayette](#)  
Phone: 765-494-1596 Fax: 765-496-7429  
Hours: Monday-Friday, 8 a.m. – 5 p.m.; Lab available through PUSH Urgent Care, 5 – 7 p.m., Monday-Friday and 10 a.m. – 4 p.m., Saturday; closed University holidays

Currently, **Alverno** serves the regional campus areas and has no labs in the West Lafayette area.

For more information, go to [www.purdue.edu/benefits](http://www.purdue.edu/benefits) and follow the links to the tiered lab information, or contact Human Resources at [hr@purdue.edu](mailto:hr@purdue.edu) or 49-42222.

## When our medical plans save, we all save.

When we lower medical plan costs, we all win. Using a Tier 1 lab whenever possible is an easy way to help take control of costs to your medical plan.