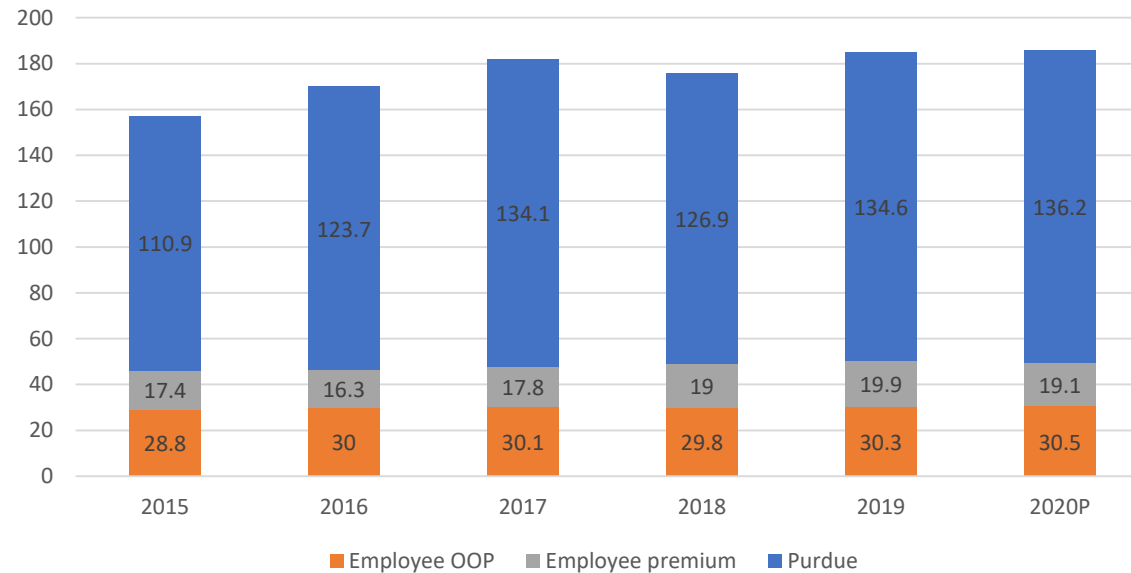


# ***UNIVERSITY SENATE BENEFITS PRESENTATION***

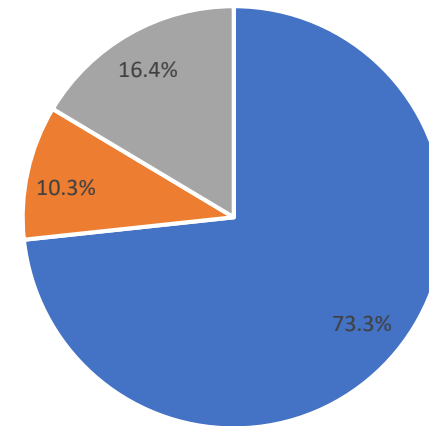
**April 20, 2020**

## 2019 Financial Outcomes

# 2019 Healthcare Expenditures



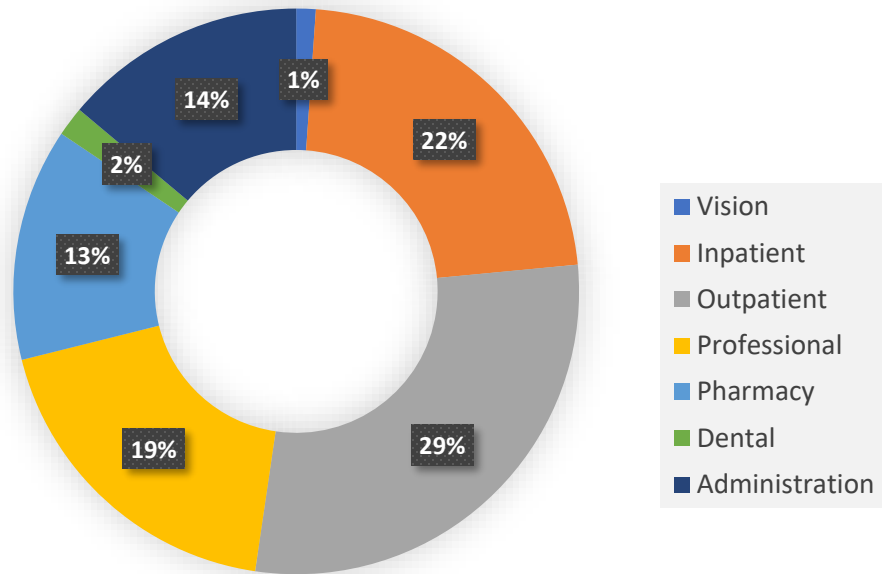
\*dollars are in millions



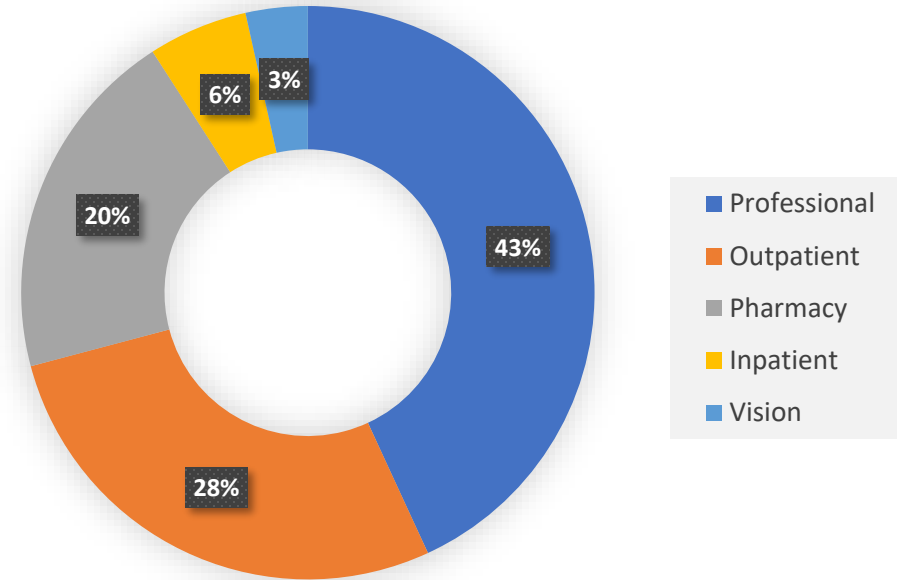
■ Purdue Paid Premium ■ Employee Paid Premium ■ Employee Out of Pocket

# 2019 Healthcare Expenditures

## 2019 Purdue Spend



## 2019 Employee Spend



# Healthy Boiler 2019 Engagement

Healthy Boiler 2019			
Participation	Campus		
	Fort Wayne	Northwest	West Lafayette
Employee	286	276	3,434
Spouse	1,320		
<b>TOTAL</b>	<b>5,316</b>		

## Employee & Spouse – Physical Compliance

	2015	2016	2017	2018	2019
# Eligible	15,113	15,572	15,718	15,561	15,251
# Compliant	5,848	6,224	6,197	7,502	8,218
% Compliance	39%	40%	39%	48%	54%

# Center for Healthy Living - Outcomes

	CHL Participant	Non-Participant
Prescriptions with 12 or more active ingredients (% of those engaged)	7%	9%
Emergency Room Visits	9%	9%
Concurrent Risk	1.23	1.28

Hypertension Management	Counts	CHL Participant	Counts	Non-Participant
Plan Paid PMPY (Med & Rx)	786	\$7,708	4,152	\$14,587

Diabetes Management	Counts	CHL Participant	Counts	Non-Participant
Plan Paid PMPY (Med & Rx)	275	\$9,626	1,222	\$17,129

Engagement	Counts	CHL Participant	Counts	Non-Participant
Primary Care – Employees & Spouses	3,759	\$4,399	12,229	\$7,048

## 2020 Approved Changes

# Approved 2020 Changes

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
Bundled Programs under Medical Plan	X	X



# *Administrative Reviews, Renewals or RFPs*

- Direct Agreement RFPs - Completed
  - Imaging
  - Joint Replacement
- Renewals
  - BenefitFocus
  - Voluntary Benefits
  - One to One Health
  - Mid America Clinical Labs
  - Life & AD&D Insurance
- Reviews
  - Lifestyle and wellness program review
  - Healthy Boiler Incentive Review
  - Mental Health Resources
- Direct Agreement RFPs - In Progress
  - Physical Therapy
  - Infusion
  - Specialty Prescriptions

## 2021 Considerations

# 2021 Considerations

Strategy	Plan Savings	Employee Savings
Sunset PPO; replace with HDHP 1/1/2021	X	X
Steer toward Franciscan THTK replacement bundle	X	
Benefit salary tier – increase with merit		X
Increase Spousal Surcharge	X	
Front-load Purdue contribution to HSA		
Additional Healthy Boiler Incentives		
Increase Retiree / LTD Premium	X	
Establish Pre-65 Eligibility Rule	X	
Bring Dental Buy-Up plan to benchmark		
Preventive Dental Cost-Share	X	
Unlock Vision Plan from Medical	X	
Additional Specialty Rx Management	X	X
Hearing Aid Coverage		
Purdue Owned Facility	X	X
Direct Agreements – Physical Therapy and Infusion	X	X

***THANK YOU***

## Appendix

# 2021 Considerations – Medical Plans

## 2021 Plan Alternatives

	PPO			HSA 1			HSA 2		
	HealthSync	In-Network	Out-Network	HealthSync	In-Network	Out-Network	HealthSync	In-Network	Out-Network
<b>Annual Deductible</b>									
Single	\$750	\$1,250	\$3,000	\$1,500	\$2,000	\$3,500	\$2,000	\$2,750	\$5,000
Family	\$1,500	\$2,500	\$6,000	\$3,000	\$4,000	\$7,000	\$4,000	\$5,500	\$10,000
<b>Coinsurance</b>	90%/10%	80%/20%	60%/40%	90%/10%	80%/20%	60%/40%	90%/10%	75%/25%	55%/45%
Single	\$2,000	\$2,900	\$5,000	\$3,000	\$3,750	\$7,000	\$4,250	\$5,250	\$10,000
Family	\$4,000	\$5,800	\$10,000	\$6,000	\$7,500	\$14,000	\$8,500	\$10,500	\$20,000

### Alternative 1

	New HSA 1			HSA 2			HSA 3		
	HealthSync	In-Network	Out-Network	HealthSync	In-Network	Out-Network	HealthSync	In-Network	Out-Network
<b>Annual Deductible</b>									
Single	\$1,450	No coverage	No coverage	\$1,500	\$2,000	\$3,500	\$2,000	\$2,750	\$5,000
Family	\$2,900	No coverage	No coverage	\$3,000	\$4,000	\$7,000	\$4,000	\$5,500	\$10,000
<b>Coinsurance</b>	90%/10%	No coverage	No coverage	90%/10%	80%/20%	60%/40%	90%/10%	75%/25%	55%/45%
<b>Out of Pocket Maximum</b>									
Single	\$2,250	No coverage	No coverage	\$3,000	\$3,750	\$7,000	\$4,250	\$5,250	\$10,000
Family	\$4,500	No coverage	No coverage	\$6,000	\$7,500	\$14,000	\$8,500	\$10,500	\$20,000

### Alternative 2

	New HSA 1			HSA 2			HSA 3		
	HealthSync	In-Network	Out-Network	HealthSync	In-Network	Out-Network	HealthSync	In-Network	Out-Network
<b>Annual Deductible</b>									
Single	\$1,450	\$2,000	\$3,000	\$1,500	\$3,000	\$3,500	\$2,000	\$4,000	\$5,000
Family	\$2,900	\$4,000	\$6,000	\$3,000	\$6,000	\$7,000	\$4,000	\$8,000	\$10,000
<b>Coinsurance</b>	90%/10%	80%/20%	60%/40%	90%/10%	80%/20%	60%/40%	90%/10%	80%/20%	60%/40%
<b>Out of Pocket Maximum</b>									
Single	\$2,250	\$3,250	\$6,000	\$3,000	\$4,500	\$7,000	\$4,250	\$6,000	\$10,000
Family	\$4,500	\$6,500	\$12,000	\$6,000	\$9,000	\$14,000	\$8,500	\$12,000	\$20,000

# 2021 Considerations – Medical Plans

## Alternative 3

	HSA 1			HSA 2			New HSA 3		
	HealthSync	In-Network	Out-Network	HealthSync	In-Network	Out-Network	HealthSync	In-Network	Out-Network
<b>Annual Deductible</b>									
Single	\$1,500	\$2,000	\$3,500	\$2,000	\$2,750	\$5,000	\$2,500	\$3,500	\$6,500
Family	\$3,000	\$4,000	\$7,000	\$4,000	\$5,500	\$10,000	\$5,000	\$7,000	\$7,000
<b>Coinsurance</b>	90%/10%	80%/20%	60%/40%	90%/10%	75%/25%	55%/45%	90%/10%	80%/20%	60%/40%
<b>Out of Pocket Maximum</b>									
Single	\$3,000	\$3,750	\$7,000	\$4,250	\$5,250	\$10,000	\$5,000	\$7,000	\$13,000
Family	\$6,000	\$7,500	\$14,000	\$8,500	\$10,500	\$20,000	\$10,000	\$14,000	\$14,000

## Alternative 4

	HSA 1			HSA 2			HSA 3		
	HealthSync	In-Network	Out-Network	HealthSync	In-Network	Out-Network	HealthSync	In-Network	Out-Network
<b>Annual Deductible</b>	Non-Embedded; Medical & Rx Combined			Non-Embedded; Medical & Rx Combined			Non-Embedded; Medical & Rx Combined		
Single	\$1,500	\$2,000	\$3,500	\$2,000	\$2,750	\$5,000	\$3,000	\$4,000	\$6,500
Family	\$3,000	\$4,000	\$7,000	\$4,000	\$5,500	\$10,000	\$6,000	\$8,000	\$7,000
<b>Coinsurance</b>	90%/10%	80%/20%	60%/40%	90%/10%	75%/25%	55%/45%	90%/10%	80%/20%	60%/40%
<b>Out of Pocket Maximum</b>									
Single	\$3,000	\$3,750	\$7,000	\$4,250	\$5,250	\$10,000	\$5,500	\$8,000	\$13,000
Family	\$6,000	\$7,500	\$14,000	\$8,500	\$10,500	\$20,000	\$11,000	\$16,000	\$14,000

All Plans Include the Following:

<b>Office Visits</b>							
Center for Healthy Living - WL	\$25 copay; towards Ded & Coins	N/A	\$25 copay; towards Ded & Coins	N/A	\$25 copay; towards Ded & Coins	N/A	
Preventive Care	100% coverage	Ded. & Coins.	100% coverage	Ded. & Coins.	100% coverage	Ded. & Coins.	
<b>Prescription Drugs - Retail</b>	Annual Deductible applies only to Non-Preventive Prescriptions		Annual Deductible applies only to Non-Preventive Prescriptions				
Preventive Generic	100% coverage	N/A	100% coverage	N/A	100% coverage	N/A	
Generic	Actual cost; \$10 maximum	N/A	Actual cost; \$10 maximum	N/A	Actual cost; \$10 maximum	N/A	
Preferred Brand	35% to a max of \$50	N/A	35% to a max of \$50	N/A	35% to a max of \$50	N/A	
Non-Preferred Brand	50% to a max of \$75	N/A	50% to a max of \$75	N/A	50% to a max of \$75	N/A	
Specialty Rx	55% to a max of \$250	N/A	55% to a max of \$250	N/A	55% to a max of \$250	N/A	

# 2021 Considerations – Healthy Boiler Incentive – Op1



HSA/HRA Incentive Menu: \$325 (completed physical and biometrics required)			Employee		Spouse	
		Frequency	Incentive	Annual Maximum	Incentive	Annual Maximum
Step 1 (required)	Physical and Biometrics					
	Complete Annual Physical	Annual	\$200	\$200	\$200	\$200
	Upload Provider form and complete required fields					
Step 2 (required)	Complete Annual Biometrics	Annual	\$125	\$125	\$125	\$125
	Upload Biometric form and complete required fields					
Optional (can earn up to \$300 through various Well-being activities)	Well-being Activities					
	Well-being Badges (each badge earned = \$100, Max 300)	Annual	\$100	\$300	\$100	\$300
	Behavioral					
	Participate in a Monthly Behavioral-related Healthy Boiler Challenge					
	Financial	Annual	\$100		\$100	
	Participate in a Financial Wellness related Monthly Healthy Boiler Challenge					
	Physical	Annual	\$100		\$100	
	Participate in a Monthly Physical Wellness related Healthy Boiler Challenge					
	Social	Annual	\$100		\$100	
	Participate in a Monthly Social related Healthy Boiler Challenge					
	Work-life Balance	Annual	\$100		\$100	
	Participate in a Monthly Work-life Balance related Healthy Boiler Challenge					
*Challenges are offered at the beginning of each month for one quarter						
**New challenges offered at the beginning of each quarter						



# 2021 Considerations – Healthy Boiler Incentive – Op2



HSA/HRA Incentive Menu: \$325 (completed physical and biometrics required)						
			Employee		Spouse	
		Frequency	Incentive	Annual Maximum	Incentive	Annual Maximum
Step 1 (required)	Physical & Biometrics					
	Complete Annual Physical	Annual	\$200	\$200	\$200	\$200
	Upload Provider form and complete required fields					
Step 2 (required)	Complete Annual Biometrics	Annual	\$125	\$125	\$125	\$125
	Upload Biometric form and complete required fields					
Optional	Well-being Screenings					
	Complete Sex Specific Wellness Screenings	Annual	\$100	\$300	\$100	\$300
	Well-Woman Screening		\$100		\$100	
	Well-Man Screening		\$100		\$100	
	Mammogram		\$100		\$100	
	Colonscopy or Colorectal Screening		\$100		\$100	
	Annual Vision Screening		\$100		\$100	
	Preventive Dental Exam		\$100		\$100	
	Preventative Skin Cancer Screening		\$100		\$100	

# 2021 Considerations – Dental Plans – Option 1

## (1) Proposed 2021 Alternative

### Preventive Only Plan

DENTAL PLAN AT A GLANCE	In-Network	Out-of-Network
Annual Benefit Maximum – (Calendar Year)		
• Per insured person	\$500	\$500
Annual Deductible – (Calendar Year)		
• Per insured person	No deductible	No deductible
• Family maximum		
Deductible Waived for Diagnostic/Preventive Services	N/A	N/A
Out-of-Network Reimbursement	80th percentile	

Dental Services	In-Network Anthem Pays:	Out-of-Network Anthem Pays:	Waiting Period
Diagnostic and Preventive Services			
• Periodic oral exam	100% coinsurance	100% coinsurance	No waiting period
• Teeth cleaning (prophylaxis)			
• Bitewing X-rays (once in calendar year for all ages)			
• Intraoral X-rays			

Employee Contribution %	0%
-------------------------	----

### Buy Up Option 1

DENTAL PLAN AT A GLANCE	In-Network	Out-of-Network
Annual Benefit Maximum – (Calendar Year)		
• Per insured person	\$1,600	\$1,000
Orthodontic Lifetime Benefit Maximum		
• Per eligible insured child	\$1,600	\$500
Annual Deductible – (Calendar Year)		
• Per insured person	\$40 single;	\$75
• Family maximum	\$90 family limit	No limit
Deductible Waived for Diagnostic/Preventive Services	Yes	Yes
Out-of-Network Reimbursement	80th percentile	

Dental Services	In-Network Anthem Pays:	Out-of-Network Anthem Pays:	Waiting Period
Diagnostic and Preventive Services			
• Periodic oral exam	100% coinsurance	100% coinsurance	No waiting period
• Teeth cleaning (prophylaxis)			
• Bitewing X-rays (once in calendar year for all ages)			
• Intraoral X-rays			
Basic Services			
• Amalgam (silver-colored) Filling	80% coinsurance	50% coinsurance	No waiting period
• Front composite (tooth-colored) Filling			
• Back Composite Filling, covered as composite			
• Simple Extractions			
Endodontics			
• Root canal	50% coinsurance	40% coinsurance	No waiting period
Periodontics			
• Scaling and root planing	50% coinsurance	40% coinsurance	No waiting period
Oral Surgery			
• Surgical Extractions	50% coinsurance	40% coinsurance	No waiting period
Major Services			
• Crowns	50% coinsurance	30% coinsurance	No waiting period
Prosthodontics			
• Dentures	50% coinsurance	30% coinsurance	No waiting period
• Bridges			
• Dental Implants (covered)			
Prosthetic Repairs/Adjustments	50% coinsurance	50% coinsurance	No waiting period
Orthodontic Services			
• Dependent children only*	60% coinsurance	40% coinsurance	No waiting period

### Buy Up Option 2

DENTAL PLAN AT A GLANCE	In-Network	Out-of-Network
Annual Benefit Maximum – (Calendar Year)		
• Per insured person	\$1,000	\$1,000
Orthodontic Lifetime Benefit Maximum		
• Per eligible insured child	Not covered	N/A
Annual Deductible – (Calendar Year)		
• Per insured person	\$25 single/\$75 max	\$25 single/\$75 max
• Family maximum		
Deductible Waived for Diagnostic/Preventive Services	Yes	Yes
Out-of-Network Reimbursement	80th percentile	

Dental Services	In-Network Anthem Pays:	Out-of-Network Anthem Pays:	Waiting Period
Diagnostic and Preventive Services			
• Periodic oral exam	100% coinsurance	N/A	No waiting period
• Teeth cleaning (prophylaxis)			
• Bitewing X-rays (once in calendar year for all ages)			
• Intraoral X-rays			
Basic Services			
• Amalgam (silver-colored) Filling	50% coinsurance	N/A	No waiting period
• Front composite (tooth-colored) Filling			
• Back Composite Filling, covered as composite			
• Simple Extractions			
Endodontics			
• Root canal	25% coinsurance	25% coinsurance	No waiting period
Periodontics			
• Scaling and root planing	25% coinsurance	25% coinsurance	No waiting period
Oral Surgery			
• Surgical Extractions	50% coinsurance	N/A	No waiting period
Major Services			
• Crowns	25% coinsurance	N/A	No waiting period
Prosthodontics			
• Dentures	25% coinsurance	N/A	No waiting period
• Bridges			
• Dental Implants (covered)			
Prosthetic Repairs/Adjustments	25% coinsurance	N/A	No waiting period
Orthodontic Services			
• Dependent children only*	Not covered	N/A	N/A

# *2021 Considerations – Center for Healthy Living*

## **2020**

- Additional Space
  - Coaches, Dietician, EAP, Pharmacists, Potential Infusion
- Additional Provider and MA
- Increasing EAP to 2.0 FTE
- Potential additional Coach

## **2021**

- Telehealth
- Additional Provider and MA
- Potential additional Coach or Dietician

# *2021 Considerations – Purdue Owned Facility*

## **Services**

- Primary and Acute Care
- No-cost Wellness
- Disease management
- Mental Health / EAP
- 24/7 Express Care
- Physical Therapy
- Imaging
- Pharmacy
- Full service lab
- Infusion
- Dental
- Vision
- Dermatology
- Endocrine
- Cardio/Pulmonary
- Rheumatology
- Orthopedics
- Ear, Nose, Throat
- Allergist

# Medical and Prescription Costs

	2019 Count	Annual Total	Per Member Per Year
Employees	12,134	\$70,778,895	\$5,833
Spouses	4,950	\$37,958,403	\$7,668
Children	8,826	\$27,001,024	\$3,059

Spousal Claims \$37.9M

Spousal Premium Collected \$8.7M

Balance \$29.2M

Estimated savings to Purdue based on percent of spouses that work & have access to coverage

15% \$3.0M

20% \$4.0M

25% \$5.0M

# 2021 Considerations – Vision Plan

## Estimated Impact of Unbundling Vision from Medical Election

	A. Stand Alone Vision Renewal Assuming Same Enrollment as Medical	B. Stand Alone Vision Renewal    Unlocking from Medical (Reflecting Adverse Selection)
<b>Expected Claims</b>		
Paid Claims (1/1/2019 - 12/31/2019)	\$1,686,578	\$1,686,578
Adverse Selection Impact	N/A	1.23
Total	\$1,686,578	\$2,074,491
Annual Trend	2.00%	2.00%
No. of Months of Trend	24	24
Applied Trend	1.0404	1.0404
Expected Claims (1/1/2021-12/31/2021)	\$1,754,716	\$2,158,300
Lagged Enrollment Exposure	143,560	143,560
Expected Claims PEPM	\$12.22	\$15.03
<b>Fixed Expense - VSP Administration</b>	\$1.00	\$1.00
<b>2021 Needed Premium PEPM</b>	\$13.22	\$16.03
<b>Current Premium</b>		
	Lagged enrollment exposure	
Employee Only	\$6.71	65,461
Employee & Spouse	\$12.16	23,087
Employee & Children	\$12.97	18,728
Family	\$19.63	36,284
Current 2020 Composite Premium	\$11.67	143,560
		\$11.67
<b>Needed Increase for 1/1/2021</b>	<b>13.3%</b>	<b>37.4%</b>
<b>Preliminary 2021 Premium Rates</b>		
		with adverse selection
Employee Only	\$7.60	\$9.22
Employee & Spouse	\$13.78	\$16.71
Employee & Children	\$14.69	\$17.82
Family	\$22.24	\$26.97
Composite Premium	\$13.22	\$16.03

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# 2021 Considerations – Hearing Aids

## Estimating the Cost of Covering Hearing Aids

Plan Participants by Age Bands (January 1, 2020 Age)

	< 30	30-39	40-49	50-59	60+	Total
Active Participants	1,133	2,787	2,622	2,859	2,153	11,554
Spouses of Active Participants	178	943	1,028	1,160	1,006	4,315
LTD Participants	0	0	8	19	38	65
Spouses of LTD Participants	0	0	2	4	14	20
Retiree Participants	0	0	0	52	196	248
Spouses of Retiree Participants	0	0	0	11	25	36
<b>Total</b>	<b>1,311</b>	<b>3,730</b>	<b>3,660</b>	<b>4,105</b>	<b>3,432</b>	<b>16,202</b>

Assumed Percentage Needing Hearing Aids <sup>1</sup>	17.00%
Number Needing Hearing Aids	2,754
Assumed Percentage of Those Needing Hearing Aids Use the Benefit <sup>2</sup>	20.00%
Assumed No. of Participants Using Benefit	551
Average Cost of a Pair of Hearing Aids <sup>3</sup>	\$5,200
Maximum Covered Allowable Per Pair Under Plan <sup>4</sup>	<b>\$3,000</b>
Plan Percentage Share <sup>5</sup>	80%
<b>Estimated Total First Year Cost to Purdue</b>	<b>\$1,322,400</b>
 Estimated Total First Year Cost to Participants	 \$1,542,800

<sup>1</sup> National Institutes of Health regarding Hearing Aids (U.S. Department of Health and Human Services).

<sup>2</sup> National Institutes of Health regarding Hearing Aids (U.S. Department of Health and Human Services).

<sup>3</sup> Average cost of a single hearing aids equals \$2,600 (2015 report from the President's Council of Advisors on Science and Technology); most people need 2 hearing aids.

<sup>4</sup> Assumes that Purdue would cover up to \$3,000 per pair every 3 years, as this is the most prevalent plan design (National Business Group on Health 2014 Survey).

<sup>5</sup> Assumes same participant share, for medical expenses