

# *2024 Purdue Benefit Update*

University Senate – October 16, 2023

# *Purdue Health Plans - Overview*

## Plan Demographics

11,524 active eligible employees (monthly average)

23,915 total members (monthly average - employees, spouses, dependents)

49% single; 21% family; 14% employee + spouse; 16% employee + children

Offer Consumer Driven Health Plans with Health Savings Accounts

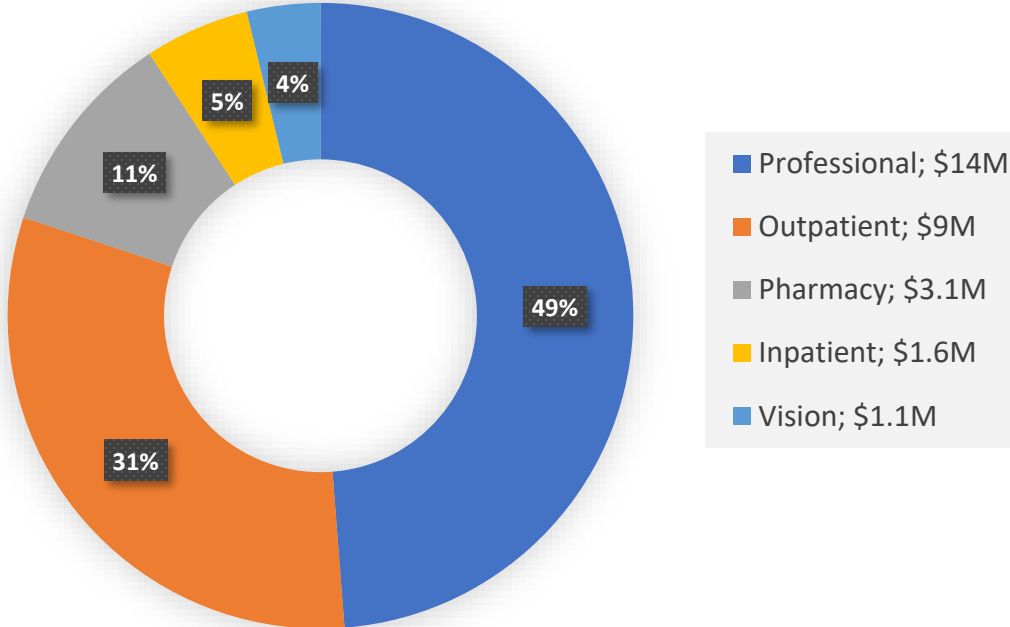
- 51% Premier; 35% Standard; 13% Limited; 1% J1

900 covered spouses with additional premium

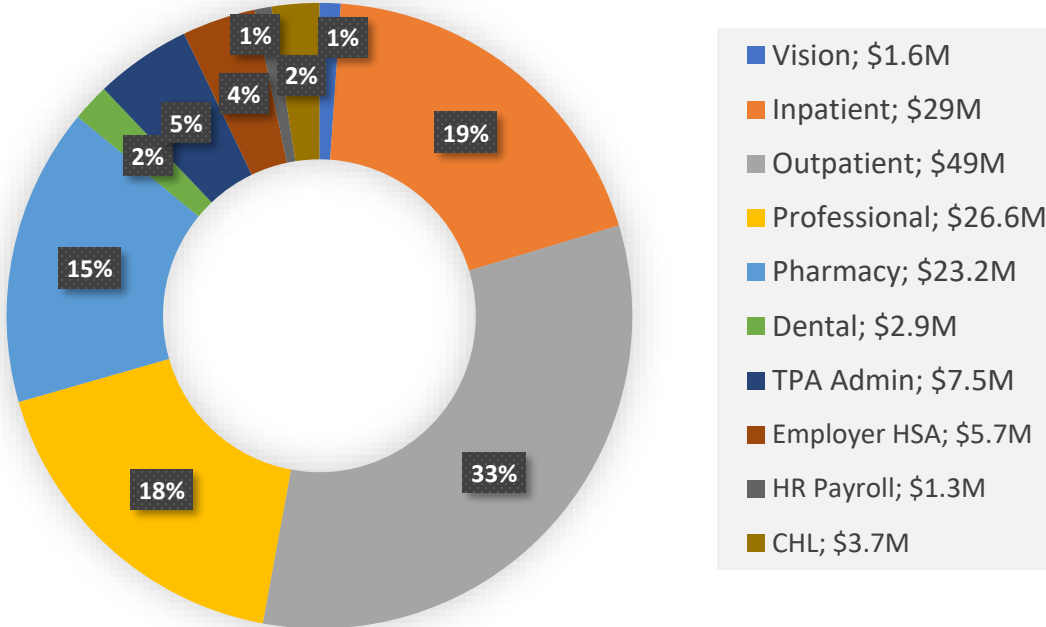
60% annual physicals in CY 2022, up 3% from 2021 and highest since implementing Healthy Boiler Incentive Program

# Summary of Expenses - CY 2022

2022 Employee Spend - \$29M



2022 Purdue Medical Spend - \$150M



2023 Projected Spend - \$29.9m Employees and \$155m Purdue

# History of Benefit Changes

## 2014 - 2016

- Three plans (2 HDHP; 1 PPO)
- Anthem contract
- No employee premium increases
- Added free preventive dental
- Added autism and bariatric

## 2017

- Employee premium increase (4%)
- Mid-America contract for labs
- Imaging/radiology offered at PUSH
- Healthy Boiler provided additional financial incentives for wellness activities and education

## 2018 - 2019

- Employee premium increases (2018-7%; 2019-6%)
- CVS contract for pharmacy administration
- Prescription formulary change
- Numerous measures to reduce administrative costs
- Deductible/OOP increases

## 2020 - 2021

- No Employee premium increase
- Retiree premium increase (5%)
- Sunset PPO medical plan
- 100% CDHP (3 plans)
- Working spouse premium
- Tobacco surcharge increase
- Specialty Prescription Carve Out
- Prescription and Cancer Concierge
- Direct provider agreements
- Tiered narrow network option
- Vision separated from Medical elections

## 2022

- No Employee premium increase
- Retiree premium increase (5%)
- Dental premium decrease
- Additional Healthy Boiler Incentive activities

## 2023

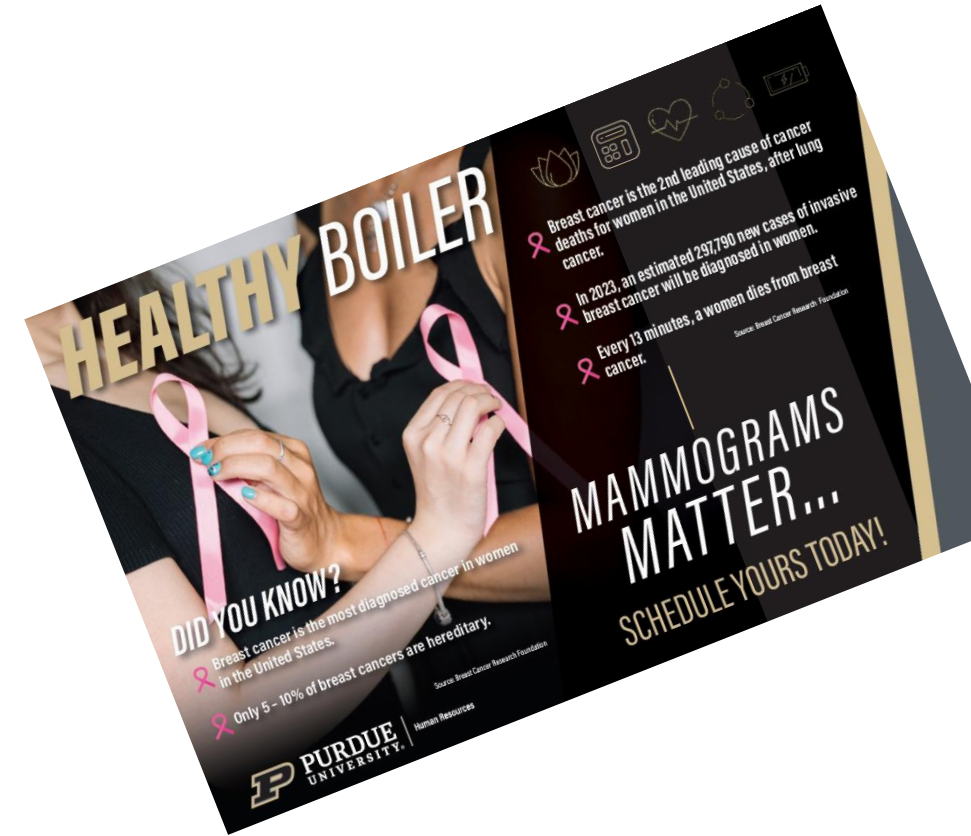
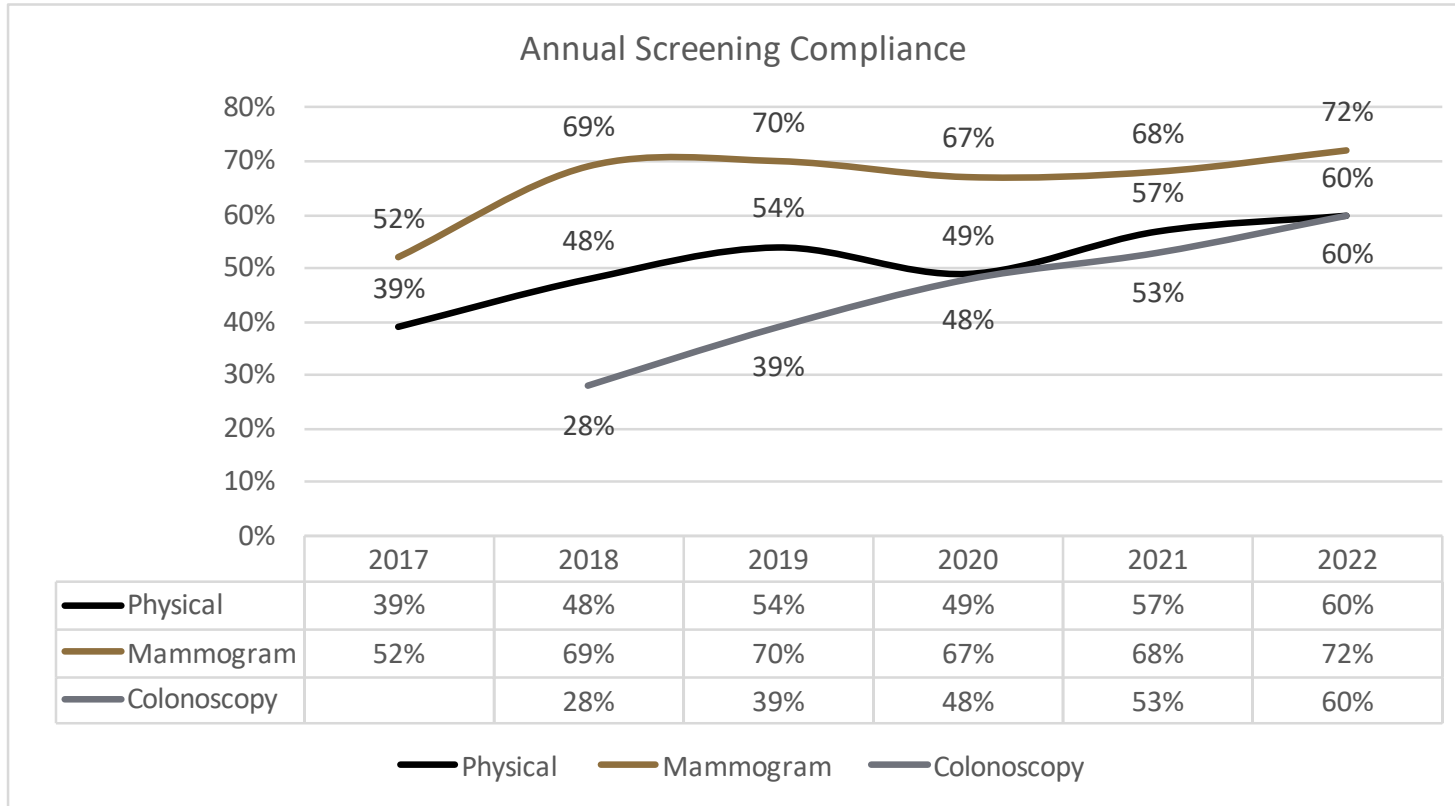
- No Employee premium increase
- Retiree premium increase (5%)
- Expansion of CHL to PNW
- Center of Excellence
- Reduction in prescription plan pricing
- Deductible / OOM increase (IRS regulation)

# Results of Changes

Strategy	Implementation Year	Results
Center for Healthy Living - Operator Change	2017	● ●
Direct Agreements - Medical labs and X-rays	2018	●
Healthy Boiler Incentive Program	2018	●
Prescription Value Formulary	2019	●
HealthSync Narrow Network (2020-2023 YTD)	2020	● ●
Cancer Concierge*	2020	●
Rx Savings - Prescription Concierge	2020	●
Medical Prescription Drug Carve-Out	2020	●
Total Hip / Total Knee Center of Excellence	2021	●
Imaging Direct Agreement*	2021	●
Physical Therapy Direct Agreement*	2021	●
Archimedes Management/Copay Assistance	2021	● ●
Expansion of Center for Healthy Living*	2022 / 2023	●
Centers of Excellence with Carrum Health*	2022	●

\*Delays in operations or steerage

# Results of Changes – Focus on Population Health



Purdue population outperforms Anthem's Indiana Benchmark in 17 out of 20 preventive care compliance measures.

# Results of Changes - HealthSync

## HEALTHY BOILER **TIER 1 (HEALTHSYNC)**

MANAGING YOUR HEALTH EXPENSES

- Tier 1 with lower deductible and out of pocket expenses compared to Tier 2 (all other in-network providers)
- Built with high performing providers with a history of quality that must be maintained
- **59%** Purdue members engaged in HealthSync
  - Carry more health risk
  - More compliant with physicals and annual screenings (68% compared to 55%)
  - Lower lengths of inpatient stays
  - Less ER visits (9% compared to 12%)
- Savings from 2020 implementation through June 2023 - **\$6.7m employees; \$15.6m university**
- **Future:** We will continue to evaluate the impact of the narrow network as well as options to further expand network and incentivize use of HealthSync network providers

# Results of Changes – Center for Healthy Living

- Established in 2013 using the patient-centered medical home approach to delivering high-quality, cost effective primary care.
- Savings from 2017 implementation through 2022 - **\$19.6m**
- Population Health Results
  - Over 3700 employees and spouses attributed
  - Most cost-efficient primary care provider in Purdue's HealthSync network
  - Provider with the highest physical compliance
- West Lafayette location operated by One to One Health since 2017 with expanded services to PNW-Hammond in 2022
  - Primary and Acute care
  - Services available in-person and virtual
    - Behavioral Health Long-term Counseling
    - Medication Therapy Management
    - Health Coaching and Education
    - Chronic Condition Management
  - Other: Mobile Physicals, Flu Vaccine Clinics, Sports Physicals
- Currently expanding at the Purdue Fort Wayne campus



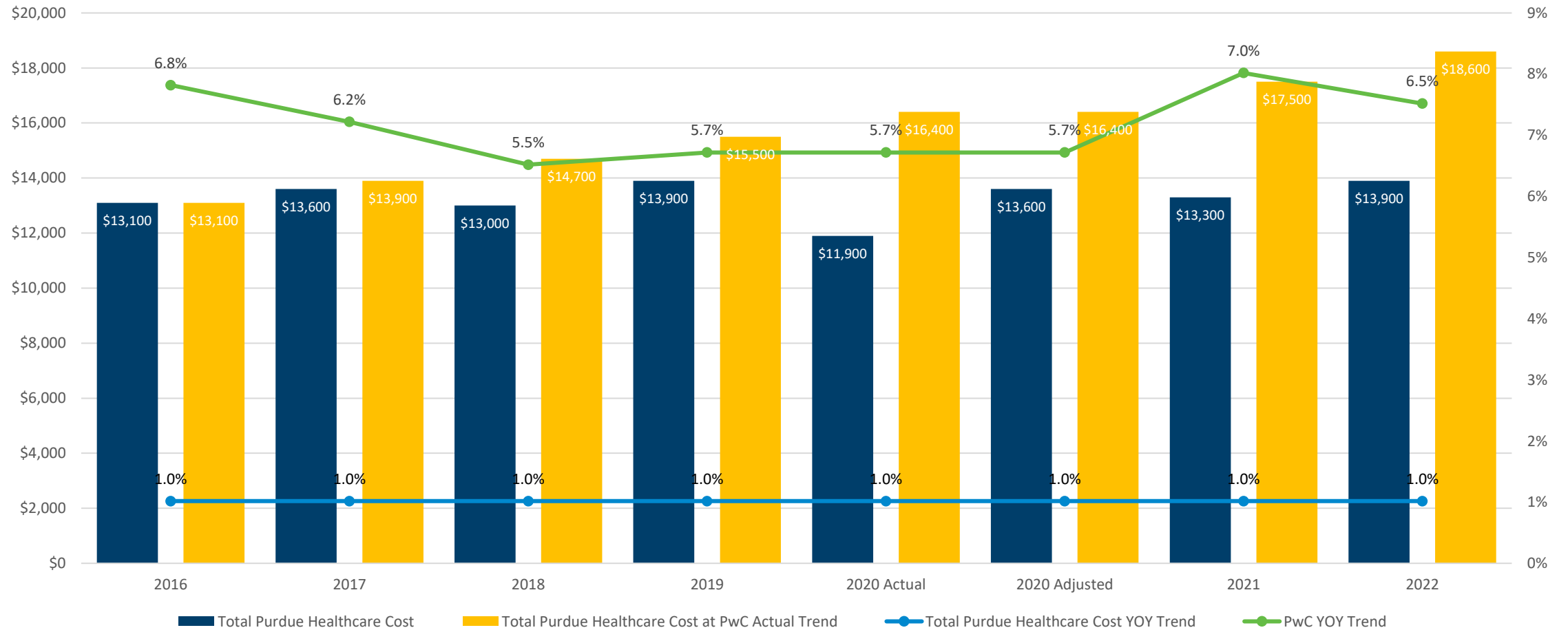
Center for Healthy Living





# Healthcare Expenditures – Overall 2016 - 2022

Total Actual Combined (ER & EE) Expenses vs Total Actual At PwC Published Trend (PEPY)



\*Total Purdue Healthcare cost is equal to the member out of pocket expenses plus the claims paid by Purdue

## *Continuing to Buck the Trend*

- IF Purdue followed the PwC national trend ...
- \$198M in additional health care costs by the University and employees since 2016
- Actions to actively manage the Purdue health plans have cumulatively saved **employees over \$49.5 million and the University over \$148.5 million**
- For CY22 annual recurring savings are now in excess of \$40 million

# 2024 Recommendations

Strategy	Plan Cost/Savings	Employee Cost/Savings
No Employee Premium increase		●
Increase Retiree premiums (5%)		●
Increase Deductible and Out of Pocket Maximums - all three plans	●	●
Expansion of Center for Healthy Living @ PFW and WL	●	●
Launch systemwide Telehealth Program with Center for Healthy Living	●	●
Launch Healthcare Navigation Program through Center for Healthy Living	●	●
Healthy Boiler Non-Cash Incentive Program	●	●
Physical Therapy Redirection Strategy	●	●
Renew Guardian contract - Short and Long term disability programs	●	●
Renew Securian contract - Life and AD&D programs	●	●
Renew HSABank contract - Medical savings accounts	●	●

**Not Recommended for 2024; will review for 2025 and beyond.**

- Increase in Working Spouse Premium
- Increase in Tobacco Surcharge
- Increase employee premiums
- Cost share on preventive dental
- Cost share on vision
- Premium increase for active employees and long-term disability members

# *Communication / Engagement*

## **1. Continued stakeholder engagement**

- Joint meetings – MaPSAC, CSSAC, Faculty benefits and compensation sub-committee

## **2. Benefit education emails**

- Begins week of August 7
- Focus on all benefit programs (aka Healthy Boiler) which support overall health and well being

## **3. Open Enrollment Support**

- Two weeks (includes two weekends) – October 24 – November 7
- Presentations, one-on-one counseling, online guide and dedicated website

## **4. Broader Advocacy**

- Working with Hoosiers for Affordable Healthcare
- Member of All Payer Claims Database Advisory Board

# *Additional Questions*

## **1. Medical Plan Services Covered - Gender affirming care and reproductive care**

Purdue's medical plans have and in 2024 continue to cover gender affirming care and abortion procedures when they are deemed medically necessary by a doctor or other licensed health care provider. These plans do not currently and have not historically covered elective abortion procedures.

## **2. IU Health and Unity - Included in Tier 1**

These two provider groups have not opted to join the HealthSync network at this time. Network involvement is a decision between each provider group and Anthem. Anthem reports that they continue to have conversations with them about the opportunity to join, which Purdue encourages based on our population.

## **3. Current Status of childcare on WL campus and future plans**

2022 – Opening of expanded Patty Jischke Early Care and Education Center

2023 – Purdue 2<sup>nd</sup> highest number of enrollment slots (March 2023 benchmark, B1G and Peers)

College & Community Collaboration Initiative grant submission – Includes focus on child care workforce