



Human Resources

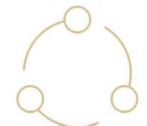
Senate Report 21-02

# ***University Benefits***

University Senate - November 15, 2021

## Questions

1. What are the employee-friendly metrics used to determine our healthcare benefits?
2. How do the medical benefits provided by Purdue compare to those of other large local employers? It is clear that healthcare spending is on the rise; however, many Purdue employees do not consider the medical benefits here to be competitive.
3. How is HR helping to streamline and facilitate the process of understanding what we pay for and what we get for it? How can we help employees to make good healthcare choices? For example, anecdotal reports suggest that the Healthcare Concierge may not be functioning well or consistently. This person does not appear to be informed of tier 1 and tier 2 locations. Further, Castlight / Anthem Care&Cost is not always up-to-date.



# HEALTHY BOILER – Part of Total Rewards



## Behavioral Health

- Employee Assistance Program
- Live Health Online
- MyStrength
- Behavioral Health Counseling



## Physical Health

- Medical, Rx, Dental and Vision
- Health Clinics (PWL, PFW)
- Rx Savings Solutions
- ATI Onsite Program
- Shoes for Crews



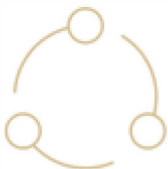
## Work-Life Integration

- Leaves – Personal and Business
- Care.com
- Family Friendly Policies
- Onsite Child Care



## Financial Wellness

- Retirement
- Life Insurance
- Health Savings Account
- Voluntary Benefits



## Social Wellness

- HB Challenges
- Winter Recess
- Cultural Centers
- Professional Committees and Groups

## Question 1

What are the employee-friendly metrics used to determine our healthcare benefits?

## What is considered when reviewing benefits?

### Navigation

- Geographic Access
- Choice
- Family coverage
- Utilization

### Program Quality

- Clinical outcomes
- Customer service
- Experience

### Operational

- Employee cost
- Technology options
- Regulations / Compliance
- Communications

Will the benefit meet a need or want?

What are the short-term or long-term impacts of the benefit?

What are other employers doing in this area?

What is happening in the healthcare industry?



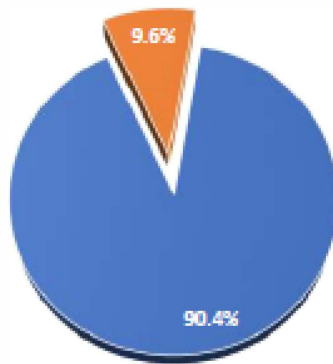
## Question 2

How do the medical benefits provided by Purdue compare to those of other large local employers? It is clear that healthcare spending is on the rise; however, many Purdue employees do not consider the medical benefits here to be competitive.

# Purdue Vs Other Employers

## 2019 Higher Education Benchmark – Annual Premium

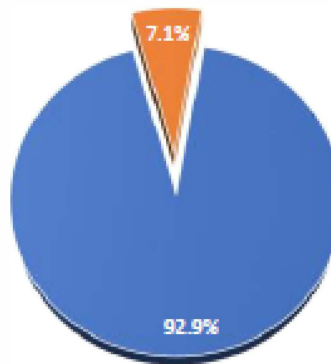
All Plans - HDHP



■ Employer Annual Contribution  
■ Employee Annual Contribution

Employer	Employee
\$11,054	\$1,180

Purdue HDHP



■ Employer Annual Contribution  
■ Employee Annual Contribution

Employer	Employee
\$12,844	\$989

36 institutions invited to participate  
14 submitted validated information  
13 additional public institutions

# Purdue Vs Other Employers

## 2019 Higher Education Benchmark – Annual Premium

	CDHP Plans			2019 Purdue				How Purdue Compares to Benchmarks
	10,000 - 25,000 employees	All Universities	Midwest					
Cost Information	n = 5	n = 10	n = 8	HDHP1		HDHP2		
				<\$44K	\$44K+	<\$44K	\$44K+	
Avg Monthly Employee Contribution								Purdue premium costs to employees are very competitive for all plans
Single	\$36	\$63	\$63	\$17	\$49	\$5	\$10	
EE + Spouse	\$95	\$136	\$136	\$88	\$158	\$20	\$82	
EE + Child(ren)	\$89	\$112	\$112	\$32	\$88	\$8	\$27	
Family	\$143	\$206	\$206	\$119	\$214	\$24	\$111	
Avg Monthly Employee Contribution (%)								
Single	7.7%	11.0%	10.3%	2.6%	7.4%	0.8%	1.5%	
EE + Spouse	9.8%	13.4%	12.4%	5.9%	10.6%	1.3%	5.5%	
EE + Child(ren)	9.3%	12.4%	11.3%	2.6%	7.4%	0.7%	2.3%	
Family	10.2%	13.2%	12.2%	5.9%	10.6%	1.2%	5.5%	
Average Monthly Premium (Equivalent Single Rate)								Purdue average total premium costs are less favorable compared to benchmark average
Single	\$464	\$570	\$613	\$630	\$568			
EE + Spouse	\$969	\$1,015	\$1,096	\$1,419	\$1,287			
EE + Child(ren)	\$957	\$906	\$991	\$1,135	\$1,023			
Family	\$1,401	\$1,568	\$1,683	\$1,923	\$1,733			



# Purdue Vs Other Employers

## 2019 Higher Education Benchmark - Deductible

	CDHP Plans			2019 Purdue		How Purdue Compares to Benchmarks
	10,000 - 25,000 employees	All Universities	Midwest	HDHP1	HDHP2	
Plan Design Information	n = 5	n = 10	n = 8			HDHP Plans
<b>Deductible</b>						
In-Network						HDHP 1 is Consistent; HDHP 2 is Less Favorable
Single	\$2,050	\$1,950	\$1,844	\$2,000	\$2,750	
Family	\$4,100	\$3,667	\$3,688	\$4,000	\$5,500	
Out-of-Network						HDHP 1 is Consistent; HDHP 2 is Less Favorable
Single	\$3,625	\$3,000	\$3,000	\$3,500	\$5,000	
Family	\$7,250	\$6,000	\$6,000	\$7,000	\$10,000	
<b>Coinsurance</b>						
In-Network	80%/20%	80%/20%	80%/20%	80%/20%	75%/25%	Consistent
Out-of-Network	60%/40%	60%/40%	60%/40%	60%/40%	55%/45%	Consistent
<b>Out-of-Pocket Maximum (incl. deductibles)</b>						
In-Network						HDHP 1 is Consistent; HDHP 2 is Less Favorable
Single	\$3,600	\$3,735	\$3,250	\$3,570	\$5,250	
Family	\$7,200	\$7,470	\$6,500	\$7,500	\$10,500	
Out-of-Network						Less Favorable
Single	\$7,250	\$6,021	\$5,967	\$8,000	\$10,000	
Family	\$14,500	\$12,043	\$11,933	\$16,000	\$20,000	

# Purdue Vs Other Employers

## 2021 Employer Comparison

	National Benchmark		Regional Benchmark		Indiana Benchmark	
	Plan 1 - HSA	Plan 2 - PPO	Plan 1 - HSA	Plan 2 - PPO	Plan 1 - HSA	Plan 2 - PPO
Deductible (single/family)	\$3,000/\$6,000	\$2,000/\$4,500	\$3,000/\$6,000	\$2,000/\$4,000	\$3,000/\$6,000	\$2,500/\$5,000
OOP (single/family)	\$5,000/\$10,000	\$6,000/\$12,000	\$5,000/\$10,000	\$5,500/\$11,850	\$5,000/\$10,000	\$5,500/\$11,000
EE Monthly	\$158.00	\$210.00	\$147.00	\$199.00	\$161.00	\$197.00
EE+SP Monthly	\$494.00	\$651.00	\$469.00	\$617.00	\$492.00	\$608.00
EE+CH Monthly	\$417.00	\$547.00	\$394.00	\$514.00	\$417.00	\$518.00
EF Monthly	\$718.00	\$926.00	\$665.00	\$847.00	\$721.00	\$881.00
EE Count						
EE+SP Count	3,739 employers	8,145 Employers	1,320 Employers	2,105 Employers	339 Employers	282 Employers
EE+CH Count						
EF Count						
EE Average						

Purdue	
Plan 1 - HSA	
Tier 1	Tier 2
\$1,450/\$2,900	\$2,000/\$4,000
\$2,250/\$4,500	\$3,250/\$6,500
Below \$44k	Above \$44k
\$22.63	\$76.94
\$118.24	\$199.10
\$41.41	\$129.49
\$163.52	\$270.18
\$55.94	\$159.60
\$121.15	

# Purdue Vs Local Employers

	Local Employer 1		Local Employer 2		
	Plan 1 - HSA	Plan 2 - PPO	Plan 1 - PPO	Plan 2 - HSA	Plan 3 - HSA
Deductible (single/family)	\$3,000/\$6,000	\$750/\$2,250	\$1,500/\$3,000	\$3,000/\$9,000	\$4,000/\$8,000
OOP (single/family)	\$3,000/\$6,000	\$3,000/\$6,000	\$3,500/\$7,500	\$6,500/\$13,000	\$5,000/\$10,000
EE Monthly	\$69.33	\$114.83	\$140.00	\$100.00	\$45.00
EE+SP Monthly	\$186.33	\$292.50	\$431.00	\$330.00	\$175.00
EE+CH Monthly	\$134.33	\$221.00	\$353.00	\$270.00	\$130.00
EF Monthly	\$277.33	\$403.00	\$560.00	\$430.00	\$220.00
EE Count	12	19	296	127	85
EE+SP Count	1	1	76	13	9
EE+CH Count	2	5	74	48	15
EF Count	4	3	66	22	25
EE Average	\$126.12	\$171.01	\$268.12	\$187.67	\$95.90

Purdue	
Plan 1 - HSA	
Tier 1	Tier 2
\$1,450/\$2,900	\$2,000/\$4,000
\$2,250/\$4,500	\$3,250/\$6,500
Below \$44k	Above \$44k
\$22.63	\$76.94
\$118.24	\$199.10
\$41.41	\$129.49
\$163.52	\$270.18
1209	1354
268	662
340	581
265	934
\$55.94	\$159.60
\$121.15	

# Purdue Vs Local Employers

**Local Employer 3**

	Plan 1 - PPO	Plan 2 - PPO	Plan 3 - PPO	Plan 3 - HSA
Deductible (single/family)	\$500/\$1,000	\$1,000/\$3,000	\$4,500/\$9,000	\$6,250/\$12,500
OOP (single/family)	\$3,000/\$6,000	\$4,000/\$12,000	\$6,550/\$13,100	\$6,250/\$12,500
EE Monthly				
EE+SP Monthly				
EE+CH Monthly			Varies	
EF Monthly				
EE Count				
EE+SP Count				
EE+CH Count	26	23	85	113
EF Count				
EE Average	\$223.00	\$492.00	\$650.00	\$246.00

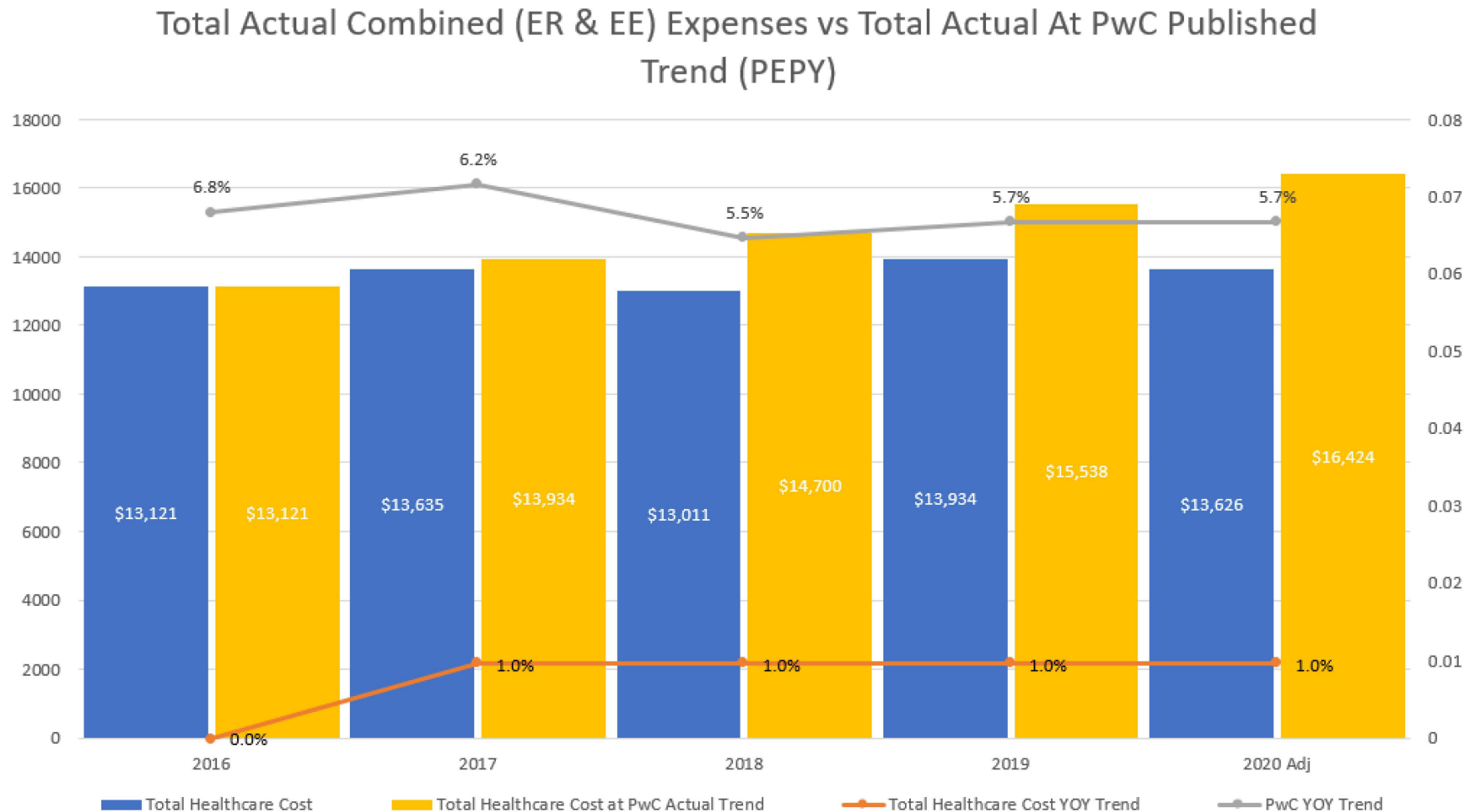
**Local Employer 4**

Plan 1 - PPO		Plan 2 - HSA	
\$1,200/\$2,700		\$2,300/\$4,700	
\$4,000/\$8,100		\$4,600/\$9,000	
Non-Tobacco	Tobacco	Non-Tobacco	Tobacco
\$160.33	\$226.98	\$114.83	\$181.48
\$340.17	\$406.81	\$225.33	\$291.98
\$264.33	\$330.98	\$177.67	\$244.31
\$411.67	\$478.31	\$260.00	\$326.65
Enrollment Not Provided			

**Purdue**

Plan 1 - HSA	
Tier 1	Tier 2
\$1,450/\$2,900	\$2,000/\$4,000
\$2,250/\$4,500	\$3,250/\$6,500
Below \$44k	Above \$44k
\$22.63	\$76.94
\$118.24	\$199.10
\$41.41	\$129.49
\$163.52	\$270.18
1209	1354
268	662
340	581
265	934
\$55.94	\$159.60
\$121.15	

# Healthcare Expenditures – Overall 2016-2020



**If Purdue followed national trend, employees and the university would be spending \$3k more per employee per year on healthcare.**

# 2022 Recommendations

Strategy	Plan Cost/Savings	Employee Cost/Savings
No Premium increase		●
Moved HSA Purdue contribution to \$200/\$400 & Expanding current incentive menu of health screenings		
Healthy Boiler Portal Upgrade	●	
Increase Retiree premiums (5%)	●	●
Dental Carrier Change & Reduction in premiums	●	●
Reduction in ASO fees – VSP vision carrier	●	
Additional direct agreement – Colonoscopy	●	●
Additional direct agreement – Diabetes Management	●	●

**Not Recommended for 2022.** Consider in future years:

- Increase in Working Spouse Premium
- Deductible and Out of Pocket increases
- Cost share on preventive dental
- Cost share on vision
- Premium increase for active employees and long-term disability members

## 2021 Open Enrollment Survey

### Health Benefits Purdue Provides are... (n=1420)

Terrible (1)	6.7%	Too Expensive (1)	11.1%	Not Comprehensive (1)	7.3%	Unfair (1)	7.5%
2	7.1%	2	11.5%	2	7.4%	2	6.5%
3	9.4%	3	13.9%	3	8.6%	3	10.0%
4	22.0%	4	24.2%	4	21.8%	4	23.9%
5	22.4%	5	17.7%	5	20.7%	5	17.4%
6	23.1%	6	13.9%	6	22.9%	6	20.8%
Excellent (7)	9.1%	A Great Value (7)	7.8%	Comprehensive (7)	11.3%	Fair (7)	13.9%
2020 Mean:	4.52*		3.99		4.55*		4.55*
2019 Mean:	4.56*		3.99		4.46*		4.48*
2018 Mean:	4.57*		3.82*		4.51*		4.42*

\*One-sample *t*-tests found these mean values to be significantly above or below the scale's midpoint at  $p < .001$ .

## Question 3

How is HR helping to streamline and facilitate the process of understanding what we pay for and what we get for it? How can we help employees to make good healthcare choices? For example, anecdotal reports suggest that the Healthcare Concierge may not be functioning well or consistently. This person does not appear to be informed of tier 1 and tier 2 locations. Further, Castlight / Anthem Care & Cost is not always up-to-date.



## Benefit Communications

- Monthly Healthy Boiler newsletters
- Purdue benefits and vendor websites, including vendor tools
- Home mailers
- Purdue Today articles
- Targeted emails, Videos, Quick Reference Guides
- Social media and blog posts with program facts, vendor information and calls to action
- Partner with HR business partners

# *Streamline Information & Educate*

## Other Strategies

- Monthly Stakeholder Meetings
- Stakeholder involvement with RFP and committees
- HR Service Center Tracking
- Determine majority need/want to understand and utilize benefits
- Anthem Concierge
- Annual Survey

## Questions

- What is the best method for educating employees on the benefit programs and how they work?
- What will evolve from the transparency legislation that helps or hinders employees? What can Purdue do to compliment?

**THANK YOU**