

2024 Health Plans

Board of Trustees, Public Session
August 4, 2023

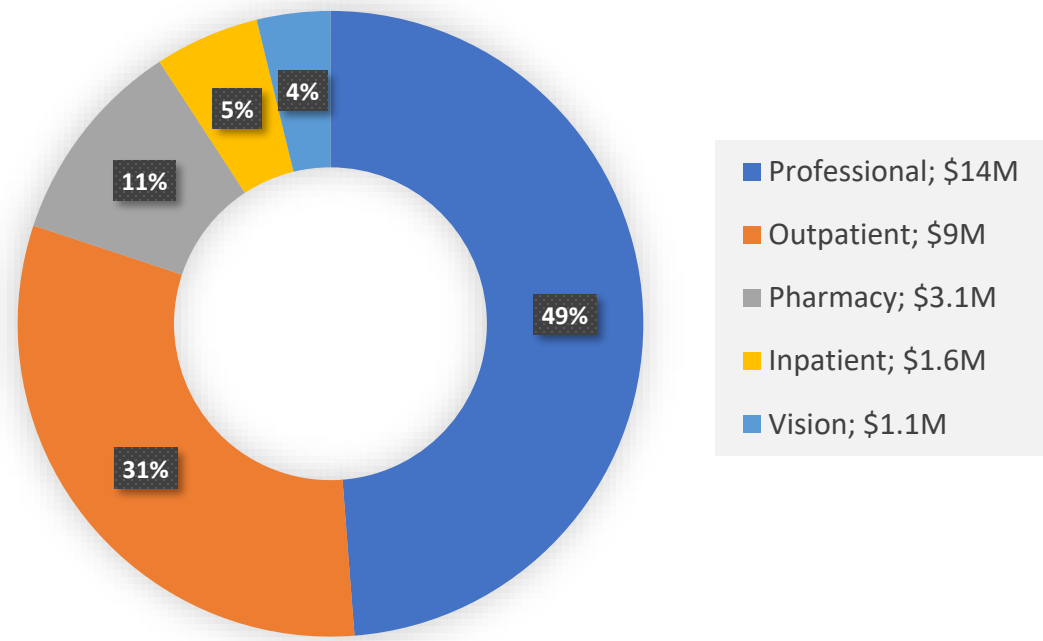
Purdue Health Plans - Overview

Plan Demographics

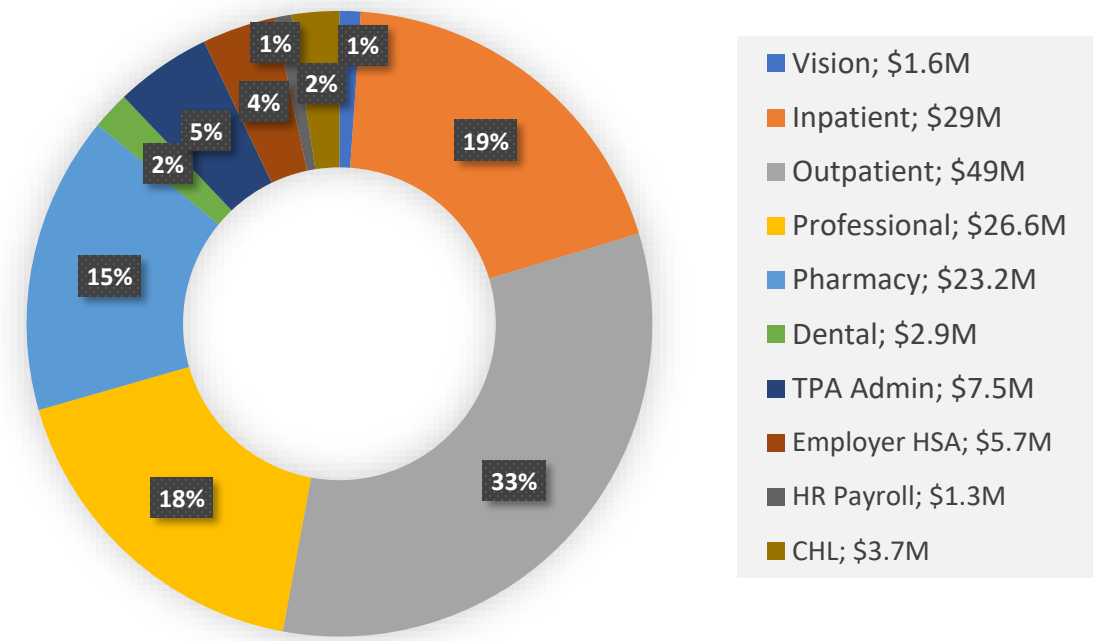
- 11,524 active eligible employees (monthly average)
- 23,915 total members (monthly average - employees, spouses, dependents)
- 49% single; 21% family; 14% employee + spouse; 16% employee + children
- Offer Consumer Driven Health Plans with Health Savings Accounts
 - 51% Premier; 35% Standard; 13% Limited; 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



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

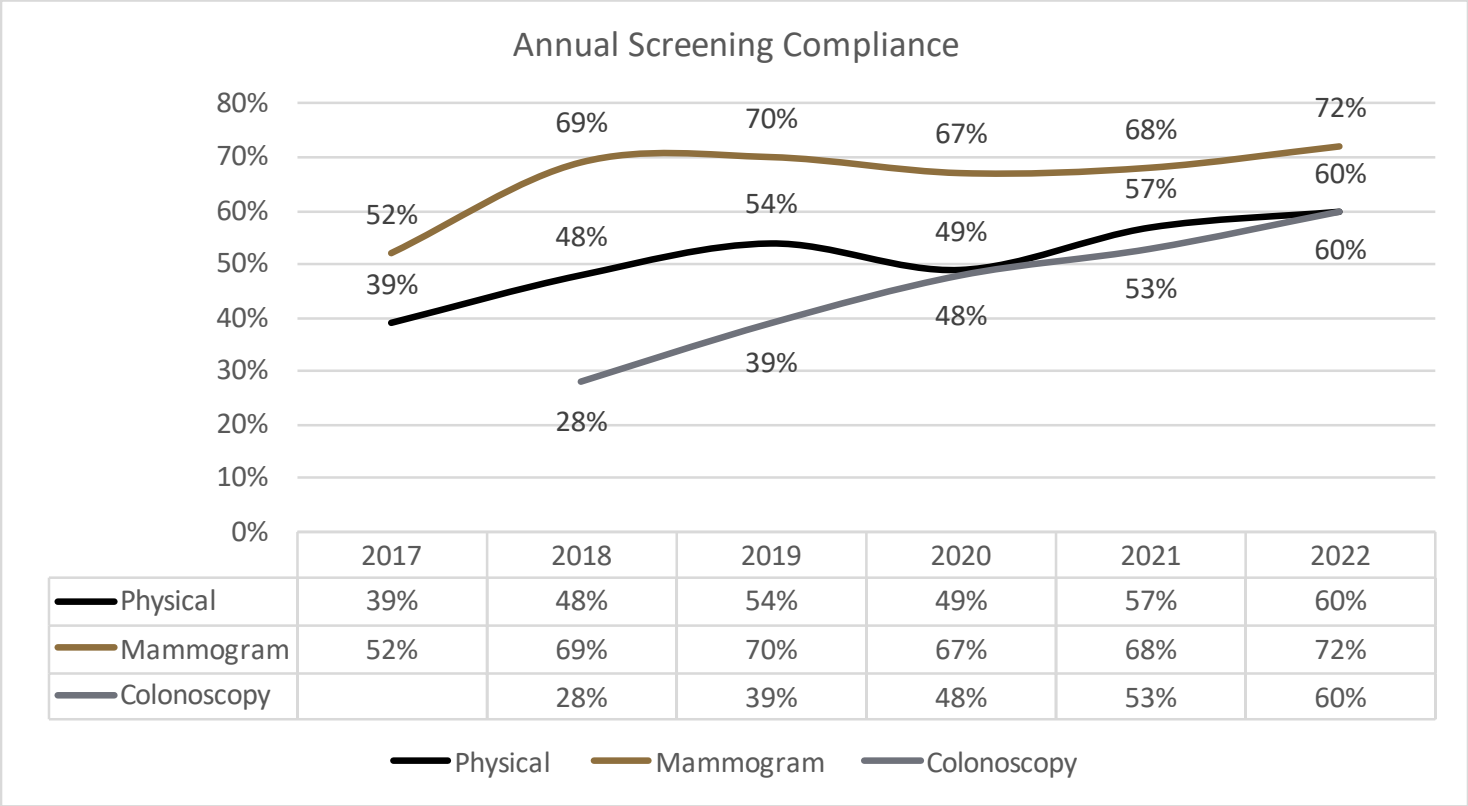
2023

- 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 (2020-2022 YTD)	2020	● ●
Cancer Concierge*	2020	●
Rx Savings – Prescription Concierge (Save from 2021 through May 2022)	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	●
Centers of Excellence with Carrum Health*	2022	●

Results of Changes – Focus on Population Health



Results of Changes - HealthSync



- Tiered narrow network option with lower deductible and out of pocket expenses
- 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
 - Lower lengths of inpatient stays
 - Less ER visits
- Savings from 2020 implementation through June 2023 - **\$22.3m**
- Continuing to evaluate options to further expand network and incentivize use of HealthSync network providers

Results of Changes – Center for Healthy Living

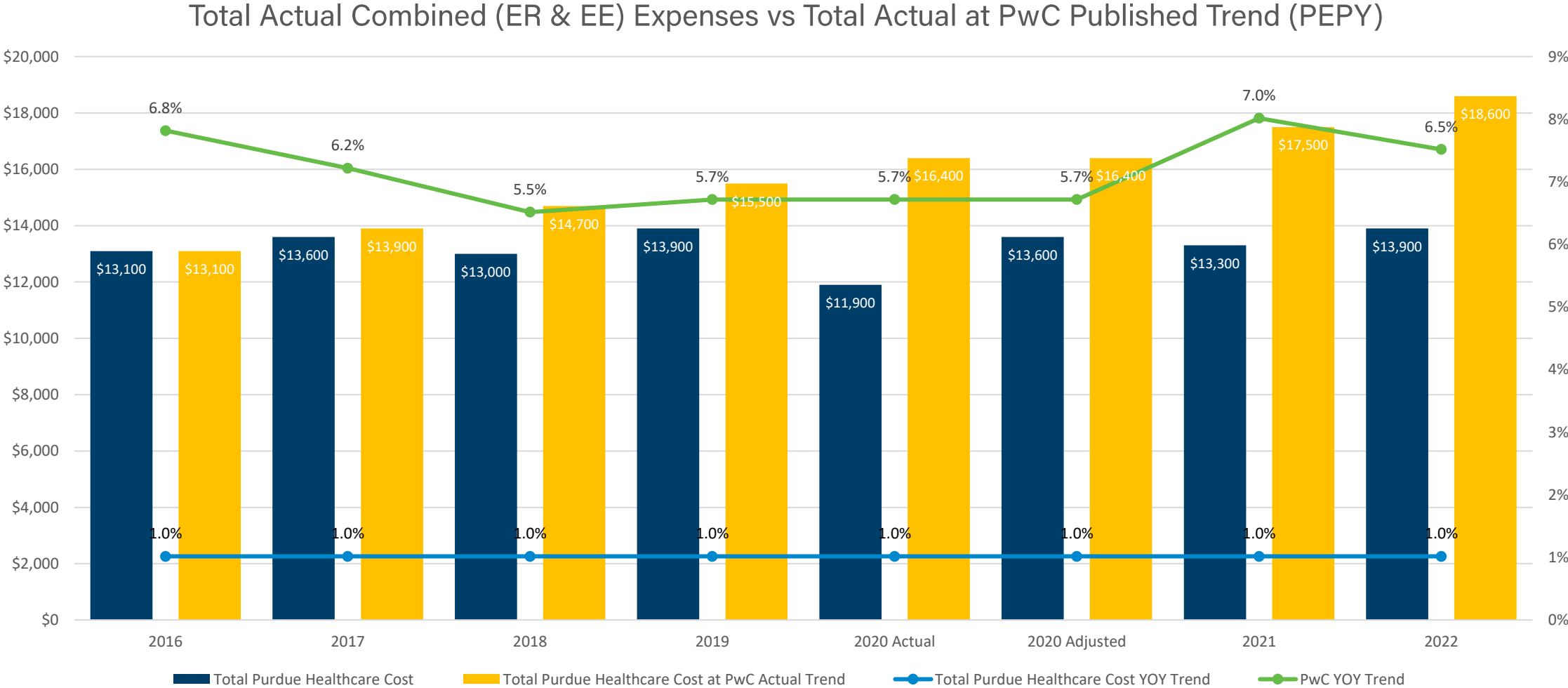
- Established in 2013 using the patient-centered medical home approach to delivering high-quality, cost-effective primary care.
- Savings from 2017 implementation through 2022 - **\$19.6m**
- Population Health Results
 - Over 3700 employees and spouses attributed
 - Most cost-efficient primary care provider 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



Center for Healthy Living



Healthcare Expenditures – Overall 2016 - 2022



*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
- Our actions to actively manage the Purdue health plans have cumulatively saved the University over \$148.5 million
- And saved our employees over \$49.5 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. Consider in future years:

- 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