

University of Southern Indiana 2019 Insurance Renewal

**Medical, Dental, Vision, Life, Disability, and
Flexible Benefit Plans**

November 1, 2018

Goals for 2019 Renewal

- Achieve low to moderate health cost increases and continue to adapt to expected changes due to health care reform
- Review and optimize medical plan design for improved future cost control and compliance while maintaining employee choice and competitive benefits
- Utilize quote process to obtain competitive and cost-effective dental benefits

Medical Insured Population Trends

POPULATION COMPARISON	<u>Oct-18</u>	<u>Oct-17</u>	% Change
Active Benefit Eligible Employees	1016	1030	-1.4%
Active Employees Insured	869	877	-0.9%
Retirees Insured	<u>349</u>	<u>339</u>	<u>2.95%</u>
Total Insured	1218	1216	0.2%

- Retiree group continues to grow due to baby boomer retirements

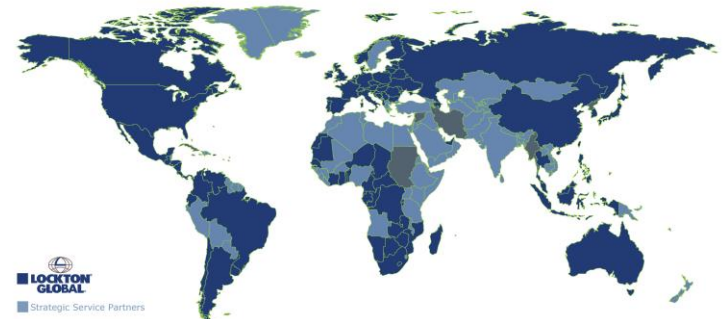
Employee Participation by Medical Plan

PLAN PARTICIPATION Active Employees	<u>Oct-18</u>	<u>Oct-17</u>
Core PPO	610	622
HDHP with HSA	259	255
TOTAL INSUREDS	869	877
Waiving Medical	147	153
TOTAL BEN ELIG EMPLOYEES	1016	1030

- High deductible health plan, began in 2011, is currently the choice of 29.1% of active insured employees

Background of Medical Renewal

- The University partnered with Lockton in 2017 for benefit consultant services
 - Founded in 1966, with 80 offices in North America, Europe, Latin America, Asia Pacific
 - 6,000+ associates
 - 50,000+ clients
 - Headquarters: Kansas City, MO
 - Over \$1.3B in revenues
 - Privately Held
 - Services:
 - Compensation
 - Benefits
 - Retirement
 - Property/Casualty



Outcome of Medical Renewal

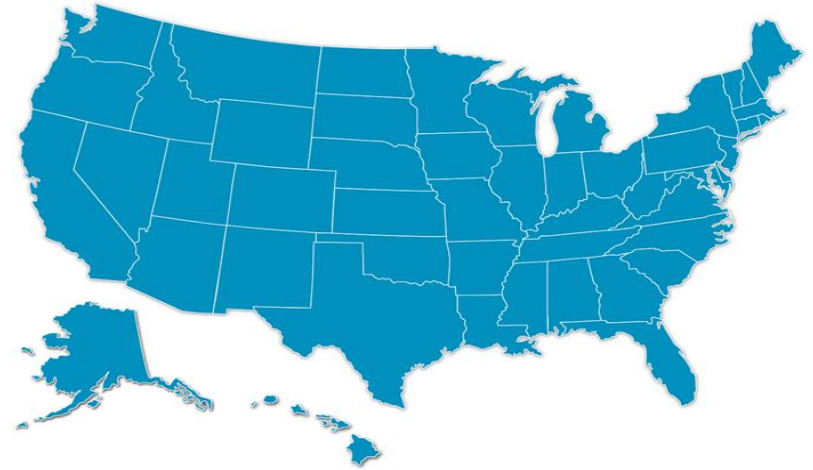
- No plan design changes, with the exception of new dependent eligibility provisions, to the two University medical plans – Anthem Blue Core-PPO and Anthem CDHP with Health Savings Account (HSA)
 - Medical plan eligibility will remove coverage for your, or your spouse's, grandchildren or other blood relatives if you provide more than 50% of the child's total support

Outcome of Medical Renewal

- The University is moving to a new prescription drug plan provider, CVS Caremark
 - This change aligns USI with other state institutions which are members of the Indiana Aggregate Prescription Purchasing Program (IAPPP)
 - Prescription drug copay and coinsurance amounts will remain the same
 - To make the transition as seamless as possible, prescription history, any open refills, and approved prior authorization information will be transferred to CVS Caremark
 - Due to federal law, prescriptions for controlled substances will require a new script and will not be transferred
 - Anthem will issue new member ID cards with the Anthem and CVS logos to begin using on January 1st

Outcome of Medical Renewal

- The retail pharmacy network includes 98% of all U.S. retail, walk-in pharmacies
 - More than 64,000 retail pharmacies nationwide
 - All major chains
 - More than 20,000 independent community pharmacies



CVS pharmacy network includes:

CVS, Meijer Pharmacy, Paul's Pharmacy, Nations Medicines, Sam's, Schnucks, Walgreens, Walmart and more

Outcome of Medical Renewal

- As a result of ongoing efforts to control health care costs and the switch to the IAPPP, 2019 premiums for Anthem Blue Core-PPO and Anthem CDHP with Health Savings Account (HSA) will see no increase for the coming year

2019 Status of Other Plans

- The vision plan, with vendor VSP, will be in year three of a four year rate guarantee (*vision premiums are fully paid by the employee*)
- The dental plan, with vendor HRI, will see a slight increase; the impact to active employees ranges from \$0.15 to \$0.65 per month
- The Voluntary Life and Short Term Disability insurance plans with The Standard will see a slight increase. Premiums will vary based on age and coverage elected