

University of Southern Indiana 2020 Insurance Renewal

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

November 7, 2019

Goals for 2020 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 stop loss coverage

Medical Insured Population Trends

Population Comparison	Oct -18	Oct -19	% Change
Active Benefit Eligible Employees	1016	1016	0.0%
Active Employees Insured	869	878	1.03%
Retirees Insured	349	366	4.87%
Total Insured	1218	1244	2.13%

- Retiree group continues to grow due to baby boomer retirements

Employee Participation by Medical Plan

Plan Participation Active Employees	Oct -18	Oct -19
Core PPO	610	617
HDHP with HSA	259	261
Total Insured	869	878
Waiving Medical	147	138
Total Benefit Eligible Employees	1016	1016

- High deductible health plan, began in 2011, is currently the choice of 25.6% of active insured employees

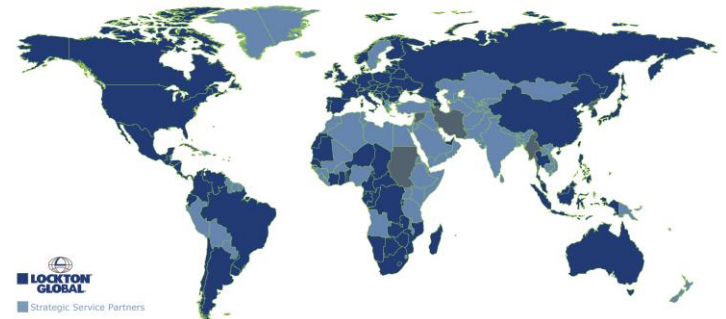
2019 Financial Summary

Benefit Plan	Employees	Gross Expense	Employee Contributions	Net Expense	ER % of Gross
Medical/Rx	1,244	\$15,934,643	\$2,978,050	\$12,956,593	81.3%
Dental	1,244	\$758,384	\$170,806	\$587,578	77.5%
Vision	663	\$112,327	\$112,327	\$0	0.0%
Basic Life	1,244	\$145,243	\$0	\$145,243	100%
Vol. Life	425	\$151,611	\$151,611	\$0	0.0%
STD	299	\$83,064	\$83,064	\$0	0.0%
LTD	764	\$113,473	\$0	\$113,473	100%
FSA	185	\$9,768	\$0	\$9,768	100%
EAP	1,016	\$16,662	\$0	\$16,662	100%
Cobra Admin.	1,016	\$3,901	\$0	\$3,901	100%
Total		\$17,329,077	\$3,495,858	\$13,833,219	79.8%

**Based on most recent month enrollment from carriers and estimated employee contributions*

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 a new HSA plan deductible. The HSA plan deductible will increase to \$2,800/individual coverage and \$5,600/family coverage due to IRS minimum deductible requirements
- As a result of ongoing efforts to control health care costs, a relatively stable claims year in 2019 and a switch to a new prescription drug plan provider, CVS Caremark in 2019, 2020 premiums for Anthem Blue Core-PPO and Anthem CDHP with Health Savings Account (HSA) will see no increase for the coming year

2020 Status of Other Plans

- The vision plan, with vendor VSP, will be in year four of a four year rate guarantee (*vision premiums are fully paid by the employee*)
- The dental plan, with vendor HRI, will be in year two with a rate guarantee of a three year agreement
- The Basic Life, Voluntary Life, Short Term Disability and Long Term Disability insurance plans with The Standard are rate guaranteed till 12/30/2020. Premiums will vary based on age and coverage elected
- The University is now offering voluntary benefits through Aflac including Critical Illness, Accident and Hospital Indemnity