

University of Southern Indiana 2021 Insurance Renewal

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

November 5, 2020

Goals for 2021 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 vision coverage
- Initiate a competitive search for a new carrier with a record of providing quality service to retirees 65 years of age and older

Medical Insured Population Trends

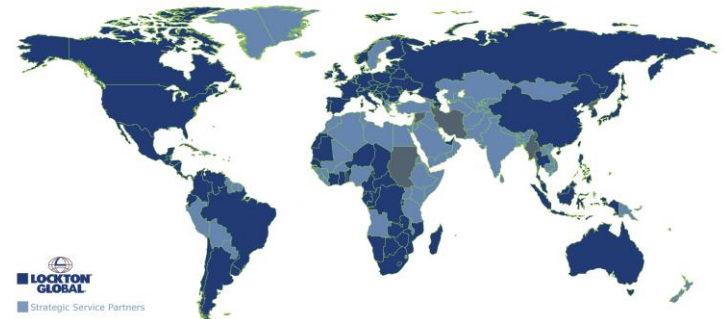
| Population Comparison | Oct -19 | Oct -20 | % Change |
|-----------------------------------|---------|---------|----------|
| Active Benefit Eligible Employees | 1016 | 962 | (5.31) |
| Active Employees Insured | 878 | 834 | (5.01) |
| Retirees Insured | 366 | 410 | 12.02 |
| Total Insured | 1244 | 1244 | - |

Employee Participation by Medical Plan

| Plan Participation Active Employees | Oct -19 | Oct -20 |
|--|---------|---------|
| Core PPO | 617 | 596 |
| HDHP with HSA | 261 | 238 |
| Total Insured | 878 | 834 |
| Waiving Medical | 138 | 128 |
| Total Ben Eligible Employees | 1016 | 962 |

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 for active, with the exception of a new HSA annual limit. The HSA annual limit will increase to \$3,600/individual coverage and \$7,200/family coverage due to IRS requirements
- As a result of ongoing efforts to control health care costs and a switch to a new prescription drug plan provider, CVS Caremark in 2019, 2021 premiums for Anthem Blue Core-PPO and Anthem CDHP with Health Savings Account (HSA) for active employees will increase approximately 1.5% for the coming year. The impact to active employees range from approximately \$1/month to \$6/month

Outcome of Medical Renewal

- Effective January 1, 2021, retirees 65 years of age or older will be automatically enrolled into a UnitedHealthcare custom Group Medicare Advantage (PPO) plan designed exclusively for USI. The Group Medicare Advantage (PPO) plan is a Medicare Advantage plan that delivers all the benefits of Original Medicare (Parts A and B), includes prescription drug coverage (Part D) and offers additional benefits and features. As a result, 354 out of 367 members 65 years of age or older will see their monthly premiums decrease. The impact for the 13 members that will experience an increase range from \$3/month to \$6/month

2021 Status of Other Plans

- Change of vision carrier to EyeMed through Paramount provides an expanded network of providers and similar benefits, while premiums see a decrease (*vision premiums are fully paid by the employee*); VSP had proposed an 8.6% rate increase
- The dental plan, with vendor HRI (now Paramount Dental), will be in year three with a rate guarantee of a three-year agreement
- The Basic Life, Voluntary Life, Short Term Disability and Long- Term Disability insurance plans were renegotiated with The Standard. Premiums will vary based on age and coverage elected
- The University offers several voluntary benefits through Aflac including Critical Illness, Accident and Hospital Indemnity. These lines of coverage will see no premium increase in 2021