

Blue Ribbon Health Care Committee



PREVIEW OF FINDINGS



Charge: still working, report in draft stage

Short Term

- Affordable health benefit from both employer and employee perspective
- University target of ↓ health care spending over next two years

Long Term

how might the University best ...

- Manage health care costs
- Facilitate a healthier Purdue community

The Committee

- Pamela Aaltonen, Nursing (Chair)
- Steven Abel, Pharmacy Practice
- John Beelke, Human Resources-Staff Benefits
- William [Bart] Collins, Health Communications
- Jenny Coddington, Nursing & North Central Nursing Clinics
- James Dworkin, Regional Representative & North Central Chancellor
- Joan Fulton, University Senate Chair & Agricultural Economics
- Luis Lewin, Human Resources
- Carol Sternberger, Regional Representative & IPFW Nursing (Tina Grady)
- Philip Troped, Health & Kinesiology
- Susan White, Pharmacy
- David Williams, University Senate Faculty Affairs Chair & Medical Illustration/Veterinary Medicine
- Steven Witz, Regenstrief Center for Healthcare Engineering

Committee actions

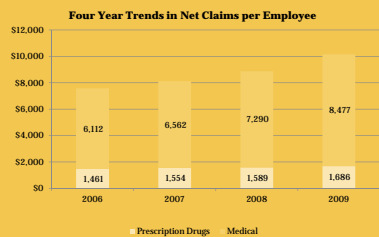
- Tap expertise on campus and off
- Awareness that Purdue has employees on regional campuses and across the state
- Complexity ... clear, unambiguous, accessible data
- Subcommittees
 - Benefit Plan Design
 - Health Improvement Management
 - Delivery System(s)

Purdue Employee Survey Results

- N = 3,101 (24.3% response rate)
- Would you use on-site clinic?
 - 84% employee
 - 67% dependents
 - Would you use on-site pharmacy?
 - 64% employee
 - 55% dependents
 - Back campus-wide programs and policies to support healthy lifestyles
 - 80%
 - Barrier to participation
 - 77% lack of time
 - Results on Benefits website

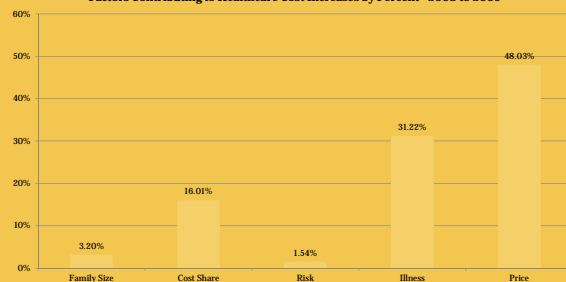
Purdue's Healthcare Costs

- From 2006 to 2009, 34.2% increase
- 2010, ~ \$150 M



Purdue Factors (2008-2009)

Factors Contributing to Healthcare Cost Increases by Percent - 2008 to 2009



3 Major Factors contributing to Purdue expenditures

- **Cost Share**
 - Premium contribution, **employer**
 - Purdue, 87%
 - Kaiser Family Foundation for all employer sectors, 83%
 - Big Ten, 70-100%
- **Illness Burden/Prevention**
 - Underutilizing activities for early identification of disease (covered at 100%)
 - Modify illness burden profile for long term cost management
 - Research consistently links program participation with appropriate incentives/rewards structures
- **Pricing**
 - Provider negotiations
 - Transparency of costs and performance measures

Goal:

Balanced set of management actions focused on contributing factors

Committee has ...

- **Studied implications of benefit plan design modifications**
 - Identified options, modeling impact
- **Researched means of health improvement management ... affirmed positive impact of well-designed health improvement programs**
 - Improve employee health
 - Provide return on investment
 - Valued by employees

Explored delivery system(s)

- Investigating feasibility of on-site clinic and on-site pharmacy
 - Community models: Fairfield Clinic, Tippecanoe County Government, SIA
 - University models: Michigan, Toledo
 - Opportunities for health professional students on campus
- 2010 changed to CIGNA as our third party administrator
 - year's worth of data just now becoming available for analysis

State Health Plan

Discussion re: universities becoming a part of plan

- Met with State Budget Director and Assistant General Counsel, Governor's Office ... their questions
 - How rich are benefits in terms of plan design? Comparable?
 - How effectively/efficiently are health care benefits being purchased?
 - What share is the university bearing compared to employees?
- State has shifted to consumer driven, high deductible plans
 - Selected by healthier, younger populations
 - Impact on health outcomes
 - Availability of data for informed decision making

State Health Plan

Our evaluation of plan's fit with Purdue

- Increased costs to both University and employees (particularly lower wage earners)
- Loss of coverage for part-time workers and same sex domestic partners
- Vision plan higher costs, less coverage
- Reduction to two premium price points: 1) employee and 2) employee + family
- Loss of ability to initiate own innovations

Timeline

Plan Design Changes	April 2011 April 2012
On-site Clinic and Pharmacy Evaluation	Summer 2011
Health Improvement Initiatives Plan	Fall 2011
Some aspects will require longer lead time	Ongoing