

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



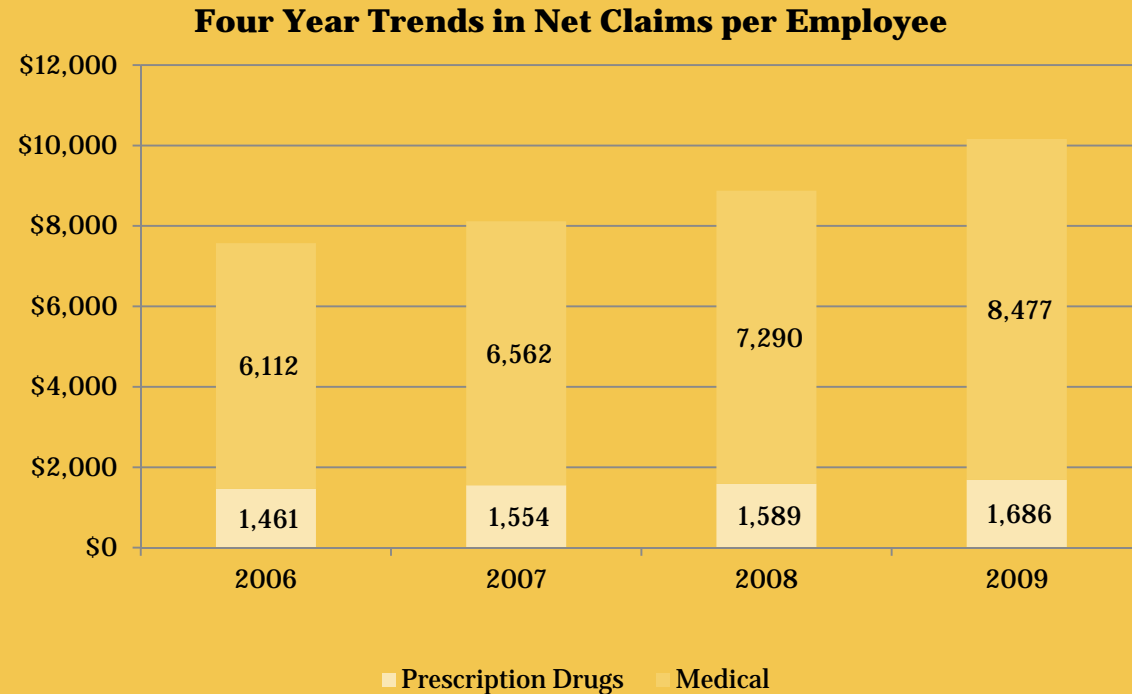
N = 3,101 (24.3% response rate)

- **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



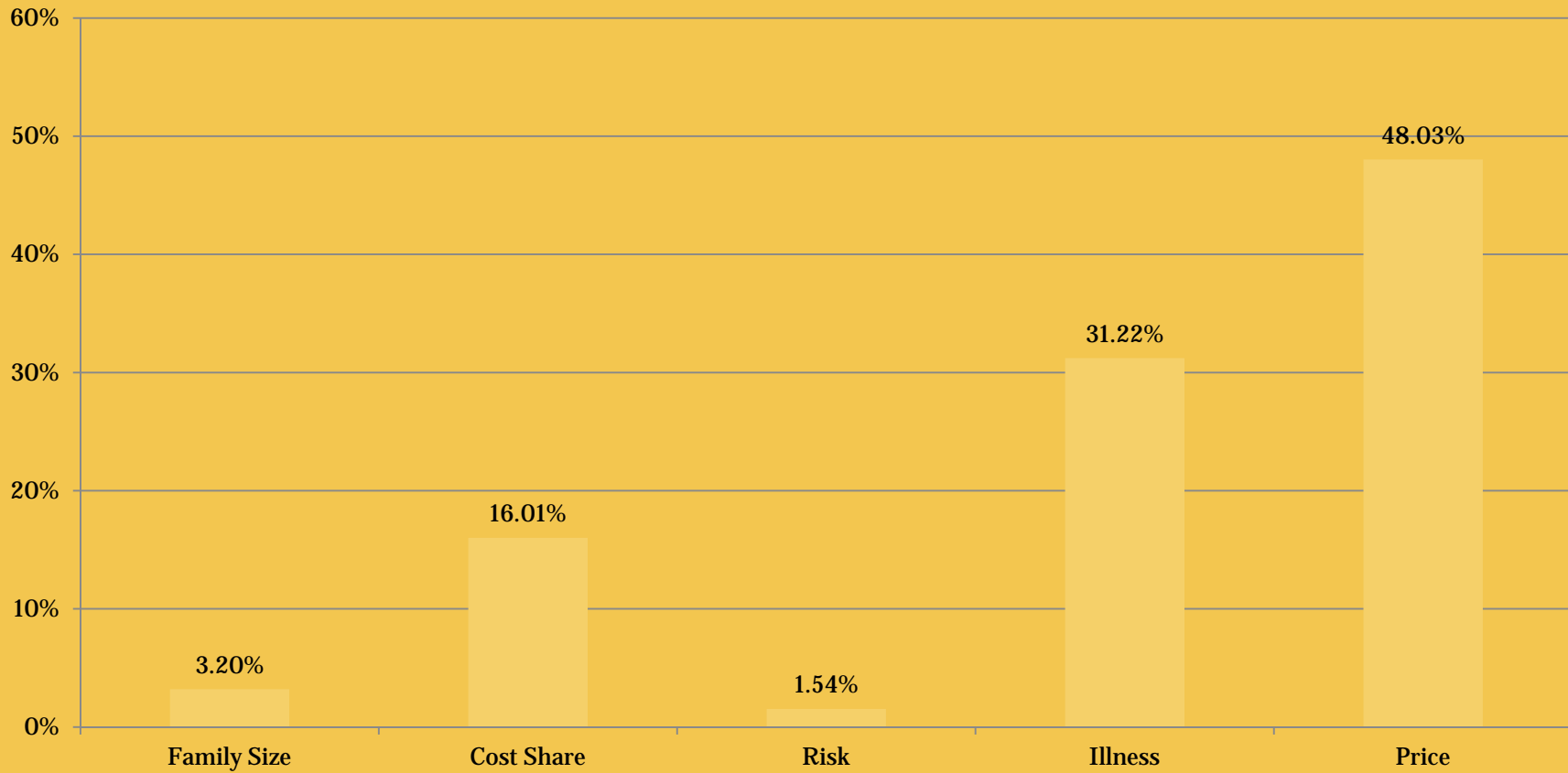
- From 2006 to 2009, 34.2% increase
- 2010, ~ \$150 M



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

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- **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