BENEFITS TRANSFORMATION

CUPA-HR, INDIANA CHAPTER SPRING CONFERENCE
APRIL 16, 2015

Eva Nodine
Director of Benefits, Purdue University
MAJOR TRANSFORMATIONS

- Retirement
  - 2011-2013

- Leaves
  - 2011-ongoing

- Medical
  - 2010-2014
RETIREMENT TRANSFORMATION
• **Rebalancing**
  - 4% mandatory contribution made by participants
  - University contribution reduced to 10%
  - Pay adjusted for current staff to account for the 4%

• **Fidelity**
  - New Investment Lineup
  - One Record-keeper
  - Flat dollar annual fee
  - Addition of a new voluntary plan type – 403(b) ROTH – after tax contributions

• **Non Exempt Defined Contribution Plan**
  - Enroll all new employees in a Fidelity DC Plan, not into PERF
  - Expected savings of over $2 million in 4 years
  - 264 new participants since September 2013
LEAVES TRANSFORMATION
• Worker’s Compensation
  • Changed administrators
  • Have seen a significant decrease in spend
  • Will review program again in 2015 for additional improvements

• FMLA Centralization and System Refinement
  • Streamlined process
  • Better controls on leave

• Leaves Committee
  • Evaluating current leave policies
  • Recommendations pending
  • Implementation beginning in 2016
MEDICAL TRANSFORMATION
MAJOR CHANGES

- Plan Design Adjustments
  - 2010-1013 deductibles, out-of-pockets, and coverage levels were being adjusted every year
- Premium Adjustments
  - 2010- given direction by the Board of Trustees to reach an 80/20 premium split by 2014
  - Premiums were being increased each year
- Castlight
  - 2012- implement price transparency
  - First University in the country to participate
  - 48% enrolled with no incentives
  - 39% return engagement
  - Increased 5% during 2014 open enrollment
- Opened the Center for Healthy Living
  - 2013-Onsite primary care and wellness clinic
  - Over 7,000 unique patients have visited the Center
MAJOR CHANGES

• Replace Third Party Administrator
  • 2010- move to Cigna
  • 2014- move to Anthem

• New Plans
  • 2010- introduced one HDHP (1,027 participants)
  • 2014-Introduce three new plans; 1 PPO and 2 HDHP (8,224 participants)

• 2014 Open Enrollment Transition

<table>
<thead>
<tr>
<th></th>
<th>2013 Enrollment</th>
<th>2013</th>
<th>2014 Enrollment</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copay</td>
<td>4,475</td>
<td>39%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incentive</td>
<td>4,303</td>
<td>37%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Choice Fund HDHP w/ HSA</td>
<td>2,851</td>
<td>24%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHP Plan</td>
<td></td>
<td></td>
<td>3,184</td>
<td>27%</td>
</tr>
<tr>
<td>PHP Plus HSA 1</td>
<td></td>
<td></td>
<td>5,759</td>
<td>51%</td>
</tr>
<tr>
<td>PHP Plus HSA 2</td>
<td></td>
<td></td>
<td>2,465</td>
<td>22%</td>
</tr>
</tbody>
</table>

• Achieved a 49% increase in CDHP participation in 1 year. Most organizations take 5-6 years to achieve this type of migration.
### FINANCIAL IMPACT

- Able to keep employee premiums flat for 3 years
- Reduce medical spend by over $20 million dollars in 2014
- Employee’s total cost share is staying relatively flat

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015 (Projected)</th>
<th>2016 (Projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Spend ($Millions)</strong></td>
<td>$162.6</td>
<td>$142.4</td>
<td>$149.8</td>
<td>$157.7</td>
</tr>
<tr>
<td><strong>Active/Inactive Staff Contributions ($Millions)</strong></td>
<td>$26.0</td>
<td>$17.9</td>
<td>$17.9</td>
<td>$17.9</td>
</tr>
<tr>
<td><strong>Purdue Spend ($Millions)</strong></td>
<td>$136.6</td>
<td>$124.5</td>
<td>$131.9</td>
<td>$139.8</td>
</tr>
<tr>
<td><strong>Participant Contribution %</strong></td>
<td>16%</td>
<td>15%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Total Employee Cost Share</strong></td>
<td>28%</td>
<td>32%</td>
<td>30%</td>
<td>30%</td>
</tr>
</tbody>
</table>
HOW DID WE DO IT?

• Developed Committees

• Held Focus Groups

• Received Employee Input
  • From a variety of methods

• Developed Robust Communication Plan
  • Providing ample time to communicate using multiple channels

• Provide Employees With Information And Tools

• A Lot Of Time, Effort And Hard Work!
  • Let’s take a look at the change management strategy around the medical transformation
HEALTH CARE STRATEGY COMMITTEE

• Steve Abel (Chair)
  College of Pharmacy
• Pam Aaltonen (Vice Chair)
  School of Nursing
• Don Buskirk (FCBC Chair)
  Technology, Leadership and Innovation
• Gary Carter (CSSAC Chair)
  Operations and Maintenance
• Jenny Coddington
  School of Nursing
• Bart Collins
  School of Communication
• Tina Grady
  Fort Wayne Human Resources
• Deborah Kark
  Calumet Nursing
• Keith Kluender
  Speech, Language and Hearing Sciences
• Denise Laussade
  Treasury Operations
• Luis Lewin
  Human Resources
• Sue Miller
  North Central Human Resources
• Beau Moore (APSAC Chair)
  Human Resources
• Eva Nodine
  Human Resources
• Randy Rapp (FCBC member)
  Building Construction Management Technology
• April Sauer
  Agricultural Economics
• Charlene Sullivan
  School of Management
• Tom Templin
  Health and Kinesiology
• David Williams (Senate Chair)
  College of Veterinary Medicine
• Howie Zelaznik (FCBC member)
  Health and Kinesiology
FOCUS

• Develop alternative solutions to the rising costs of health care for the short and long term, while continuing to provide high-quality and affordable health care to Purdue employees and dependents

• Short Term - 2014

• Long Term - 5 years (in progress)

  • Included a plan for following up on the progress of recommendations-Developed the Health Care Advisory Committee
# HEALTH CARE STRATEGY COMMITTEE

## SHORT-TERM (2014) RECOMMENDATIONS

<table>
<thead>
<tr>
<th>Offer 3 Insurance Plan Options</th>
<th>Expand Castlight</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Modify copay and incentive into one PPO option and rename plans</td>
<td>• Link Castlight to benefits enrollment</td>
</tr>
<tr>
<td>• Add another consumer driven health plan</td>
<td>• Continually review and update website as needed</td>
</tr>
<tr>
<td>• Consider impact on low income earners</td>
<td>• Incentivize use for prevention and treatment interventions</td>
</tr>
<tr>
<td>• Develop a modified and more robust enrollment tool including historical data for the enrollee</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Promote Use of Centers of Excellence</th>
<th>Implement Wellness Campaign</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Center for Healthy Living-West Lafayette</td>
<td>• Up to four per year (maximum one per quarter)</td>
</tr>
<tr>
<td>• Castlight</td>
<td>• Based on dashboard of top conditions</td>
</tr>
<tr>
<td>• Anthem (Blue Distinction Centers)</td>
<td>• Incentivize with individual and University-wide options</td>
</tr>
<tr>
<td>Communication Channel</td>
<td>Audience(s)</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Pre-enrollment sessions</td>
<td>All employees</td>
</tr>
<tr>
<td>Pre-enrollment sessions for individual departments</td>
<td>Employees in department/area</td>
</tr>
<tr>
<td>APSAC and CSSAC newsletters</td>
<td>Associated employee classifications</td>
</tr>
<tr>
<td>Handouts for sessions</td>
<td>All employees attending sessions</td>
</tr>
<tr>
<td>Dean’s meeting</td>
<td>Deans</td>
</tr>
<tr>
<td>Communication Channel</td>
<td>Audience(s)</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Academic department heads meeting</td>
<td>Academic department heads</td>
</tr>
<tr>
<td>Non-academic department heads meeting</td>
<td>Non-academic department heads</td>
</tr>
<tr>
<td>Required HC Reform notice</td>
<td>All employees, including those not eligible for benefits</td>
</tr>
<tr>
<td>HR Connect</td>
<td>All employees</td>
</tr>
<tr>
<td>Online recorded version of pre-enrollment sessions</td>
<td>All employees</td>
</tr>
<tr>
<td>Truven Informed Enrollment</td>
<td>All employees</td>
</tr>
<tr>
<td>Communication Channel</td>
<td>Audience(s)</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>----------------------------------------------</td>
</tr>
<tr>
<td>Required CHIP notice</td>
<td>All employees</td>
</tr>
</tbody>
</table>
| Benefits Enrollment Guide                | All employees, except J-1 Visa holders       | • Changes  
• How to enroll  
• Resources  
• Plan coverage  
• Premiums | Mail Oct. 25 |
| Inactive Benefits Guide                  | Early retirees, LTD, COBRA                    | • Changes  
• How to enroll  
• Resources  
• Plan coverage  
• Premiums  
• Health Insurance Marketplace | Mail Oct. 25 |
| J-1 Visa Holders Benefits Guide          | J-1 Visa holders                             | • One qualifying plan for J-1 Visa holders  
• How to enroll  
• Resources  
• Plan coverage  
• Premiums | Email Oct. 28 |
| Open enrollment sessions                 | All employees                                | • Changes  
• How to enroll  
• Resources  
• Plan coverage  
• Premiums | Throughout open enrollment: Oct. 28-Nov.15 |
| Walk-in labs                             | All employees                                | • One-on-one assistance  
• Enrollment and computer help | Throughout open enrollment: Oct. 28-Nov.15 |
<table>
<thead>
<tr>
<th>Communication Channel</th>
<th>Audience(s)</th>
<th>Message(s)</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBenefits</td>
<td>All employees</td>
<td>• Single sign-on through Employee Portal</td>
<td>Oct. 28-Nov. 15</td>
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<tr>
<td></td>
<td></td>
<td>• Directs to Truven tool</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• Links to tools and info</td>
<td></td>
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<tr>
<td>Email reminder campaign</td>
<td>All employees not enrolled by specified dates</td>
<td>• Deadline to enroll</td>
<td>Nov. 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Consequences of not enrolling or opting out</td>
<td>Nov. 8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• How to enroll</td>
<td>Nov. 13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Need to certify tobacco-user status</td>
<td>Nov. 14</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Resources, help</td>
<td>Nov. 15</td>
</tr>
<tr>
<td>Courtesy phone calls (5,597 calls made)</td>
<td>Employees not enrolled by call dates</td>
<td>• Reminder of OE and deadline</td>
<td>Beginning week of Nov. 4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Offer of assistance</td>
<td></td>
</tr>
<tr>
<td>Online recorded version of “2014 Benefits Enrollment” session</td>
<td>All employees</td>
<td>• Deadline to enroll</td>
<td>Nov. 7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• How to enroll</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• What’s new</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 2014 medical options</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• HSAs</td>
<td></td>
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<tr>
<td>Email about prescription drug coverage change</td>
<td>All employees</td>
<td>• Explain change</td>
<td>Nov. 11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Benefits of change</td>
<td></td>
</tr>
<tr>
<td>Email about Medicare and eligibility for HSA</td>
<td>Employees age 64+</td>
<td>• Explain HSA rules</td>
<td>Nov. 11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Offer resources and assistance</td>
<td></td>
</tr>
<tr>
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</tr>
<tr>
<td>-----------------------</td>
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</tr>
</tbody>
</table>
| HR Connect            | All employees | • Top 6 to know about open enrollment  
                        • Premium vs. deductible  
                        • Consequences of failing to enroll  
                        • Truven  
                        • Enrollment help  
                        • HSA eligibility info  
                        • Preventive care | Nov. 12 |
| Email to employees with enrollment in pending status | Employees with incomplete enrollment in EBenefits | • Enrollment is incomplete  
                        • How to complete  
                        • Assistance | Nov. 14 |
ENROLLMENT SESSIONS

PRE-ENROLLMENT AND OPEN ENROLLMENT – WEST LAFAYETTE CAMPUS

- Pre-enrollment sessions:
  - 162 with 4,335 attending
    - Includes 19 faculty and staff New Employee Orientation sessions and 26 regional campus meetings
- Live streamed and then archived pre-enrollment session:
  - 1 with 66 archived views
- HSA sessions:
  - 26 with 886 attending
- Open enrollment sessions:
  - 16 with 139 attending
- Open enrollment walk-in labs:
  - 51, spanning 320 hours (attendance numbers not recorded)
- Recorded presentations: 3 with 1,814 views

Attendance Grand Total: 5,360
(with some duplication between sessions)
TRUVEN INFORMED ENROLLMENT

- Online tool that allows employees to see what plan is the most cost effective based on past claims history, premiums and HSA contributions

- Recommends the amount employee should contribute to HSA/FSA

- For 2014 customized letters sent to employee’s homes with same information that could be seen online
  - Three versions: active, inactive, salary tier correction

- Single sign on from online enrollment tool

- 86.7% of eligible employees completed the entire process within the tool to estimate their 2014 total costs under the new plans.
KEY HR CONTRIBUTORS

- Monica Boone
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  HR Assistant, Customer Service

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  Benefit Systems Administrator

- Manju Jarori
  Benefits Coordinator

- Pinnie Wallace
  Benefits Coordinator

- Cindy Krueckeberg
  Benefits Coordinator

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  Leaves Administrator

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  FMLA Assistant

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  Graphic Designer

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  Benefits Specialist

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  Benefits & Outreach Specialist

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  Customer Service Coordinator

- Paula Cheatham
  FMLA Assistant

- Cindy Stephens
  Leaves of Absence Coordinator

Physical Facilities HR Office
Housing & Food Svcs HR Office
Employee Relations, Talent Acquisition, HR Operations
Regional Campus HR Offices
ITAP HR Office
QUESTIONS/COMMENTS