2019 Benefits Update
Agenda

- Health Benefits at Butler University
- Apta Health Transition
- National Trends
- Health Plan Performance
- Current Snapshot of Benefits
- Changes for 2019 - Employee & Employer Impact
- Vision Plan Changes
- Future Direction
Health Benefits at Butler University

What does it mean to be “self-insured”?

• A self-insured group health plan (or a 'self-funded' plan as it is also called) is one in which the employer assumes the financial risk for providing health care benefits to its employees.

• In practical terms, self-insured employers pay for each out of pocket claim as it happens instead of paying a fixed premium to an insurance carrier, which is known as a fully-insured plan.

• Typically, a self-insured employer will set up a special trust fund, or reserve, and earmark money (corporate and employee contributions) to pay incurred claims. Under this model, Butler University’s contributions to the plan are 80% while employee contributions are at 20%.

• Butler has a self-insured health plan and we must maintain a financial reserve (cumulative surplus) to ensure that the University can sustain its benefit programs in the instance of catastrophic claims experience.
Health Benefits at Butler University

Health Care Reserve:

• As a self-insured organization, the goal is to offer affordable health care programs and maintain a healthy financial reserve (cumulative surplus) to ensure that the University can sustain its benefit programs in the instance of catastrophic claims experience.

• In 2017 we experienced a progressive increase in high claims costs that impacted the financial reserve. Most of 2018 has seen steady claim costs, even though August 2018 saw an increase in claims.

• According to early data from a Mercer National Survey of Employer Sponsored Health Plans, plan costs are expected to increase by 4.1% in 2019 (Source: Fierce Healthcare, 2018-09-14)

• However, the University has decided there will be no change in health plan premium rates for 2019.
Health Plan Administrator Changes:

• Effective January 1, 2019, our health plan administrator will be **Apta Health** and our health network will be **United Healthcare Choice Plus**. Our pharmacy program will be through **Magellan Rx** and Vision coverage will be through **EyeMed**.

• Dental coverage with Delta Dental, and remains the same.

• The Apta Health model is based on care coordination, patient advocacy and member engagement.

Total health expenditures as percent of GDP, 1970 - 2016

United States

2016 – 17.9%

Comparable Country Average

2016 – 10.7%


National Trends

What are the primary cost drivers?

• **Unhealthy Behaviors**
  – Obesity and Diabetes growing at alarming rates
    • Estimated 30.3 million people (9.4% of the population) have diabetes as of EOY 2015 (CDC-2017)
      – 23.1 million diagnosed
      – 7.2 million undiagnosed
    – Indiana is considered an unhealthy state when compared nationally, but slightly improving
      • Indiana is ranked #40 out of 50 in overall health ranking by US News and World Report – 2018 and ranked #38 in 2017 by the United Health Foundation’s America’s Health Rankings Annual Report – **IMPROVED BY ONE SPOT IN BOTH REPORTS**
      • Indiana is the 12th most obese state in the nation for 2018 – The State of Obesity (Project of the Trust for America’s Health and the Robert Wood Johnson Foundation) – **IMPROVED BY 2 SPOTS**
National Trends

What are the primary cost drivers? (continued)

• **Increase in Prevalence and Severity with High Cost Claimants** ($25,000 and above)
  – Chronic Disease is number one driver of large claimants

• **Rising cost of specialty drugs**
  – Traditional Drug Trend was -4.5% where as Specialty Drug Trend was +11.3% for 2017 (Express Scripts 2017 Drug Trend Report)

• **Lack of overall awareness regarding the cost and quality of health care services**
# Health Plan Performance on a Calendar Year Basis

<table>
<thead>
<tr>
<th>(in 000's)</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018*</th>
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<tbody>
<tr>
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<td>804</td>
<td>823</td>
<td>835</td>
<td>846</td>
<td>871</td>
<td>878</td>
<td>907</td>
<td>929</td>
<td>927</td>
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<tr>
<td>% Change</td>
<td>4.1%</td>
<td>2.4%</td>
<td>1.5%</td>
<td>1.3%</td>
<td>3.0%</td>
<td>0.8%</td>
<td>3.3%</td>
<td>2.4%</td>
<td>-0.2%</td>
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<tr>
<td>Butler Annual Contributions</td>
<td>$4,985</td>
<td>$5,690</td>
<td>$6,690</td>
<td>$6,734</td>
<td>$7,116</td>
<td>$7,811</td>
<td>$8,974</td>
<td>$9,180</td>
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<td>$6,963</td>
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<td>14.1%</td>
<td>17.6%</td>
<td>0.7%</td>
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<td>9.8%</td>
<td>14.9%</td>
<td>2.3%</td>
<td>6.9%</td>
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<tr>
<td>Participant Annual Contributions</td>
<td>$1,574</td>
<td>$1,797</td>
<td>$2,101</td>
<td>$2,034</td>
<td>$2,136</td>
<td>$2,257</td>
<td>$2,447</td>
<td>$2,394</td>
<td>$2,538</td>
<td>$1,763</td>
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<tr>
<td>% Change</td>
<td>14.2%</td>
<td>16.9%</td>
<td>-3.2%</td>
<td>5.0%</td>
<td>5.7%</td>
<td>8.4%</td>
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<tr>
<td>Butler Annual Contribution %</td>
<td>76%</td>
<td>76%</td>
<td>76%</td>
<td>77%</td>
<td>77%</td>
<td>78%</td>
<td>79%</td>
<td>79%</td>
<td>79%</td>
<td>80%</td>
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<td>Participant Annual Contribution %</td>
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<td>24%</td>
<td>24%</td>
<td>23%</td>
<td>23%</td>
<td>22%</td>
<td>21%</td>
<td>21%</td>
<td>21%</td>
<td>20%</td>
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<tr>
<td>Total Annual Plan Costs</td>
<td>$7,096</td>
<td>$6,763</td>
<td>$8,019</td>
<td>$9,081</td>
<td>$9,737</td>
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<td>$9,362</td>
<td>$11,682</td>
<td>$12,006</td>
<td>$7,799</td>
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<td>18.6%</td>
<td>13.2%</td>
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<td>2.9%</td>
<td>-6.6%</td>
<td>24.8%</td>
<td>2.8%</td>
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<tr>
<td>Total Annual Funding</td>
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<td>$7,487</td>
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<td>$9,252</td>
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<td>$11,574</td>
<td>$12,349</td>
<td>$8,726</td>
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<td>% Change</td>
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<td>8.8%</td>
<td>13.4%</td>
<td>1.3%</td>
<td>6.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Plan Surplus/(Deficit)</td>
<td>$(537)</td>
<td>$724</td>
<td>$772</td>
<td>$(313)</td>
<td>$(485)</td>
<td>$49</td>
<td>$2,059</td>
<td>$(108)</td>
<td>$343</td>
<td>927</td>
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<td>Cumulative Surplus/(Deficit)</td>
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<td>$959</td>
<td>$646</td>
<td>$161</td>
<td>$210</td>
<td>$2,269</td>
<td>$2,161</td>
<td>$2,504</td>
<td>$3,431</td>
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<tr>
<td>% of Total Plan Costs</td>
<td>3%</td>
<td>12%</td>
<td>7%</td>
<td>2%</td>
<td>2%</td>
<td>24%</td>
<td>18%</td>
<td>21%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*January 1 through August 31
Current Snapshot of Benefit Programs and Costs

• Medical premiums remain the same for 2019.

• Dental premiums remain the same for 2019.

• Vision Plan changes:
  – switch to EyeMed
  – changes in Vision premiums

• HSA and FSA vendors remain the same.
### Employee and Employer Contributions 2019

<table>
<thead>
<tr>
<th>Coverage Category</th>
<th>Monthly EMPLOYEE Premium</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Core</td>
<td>Plus</td>
<td>CDHP</td>
<td></td>
</tr>
<tr>
<td><strong>Employee</strong></td>
<td></td>
<td>Current</td>
<td>2019</td>
<td>Current</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$ 64.26</td>
<td>$ 64.26</td>
<td>$ 195.14</td>
<td>$ 195.14</td>
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<tr>
<td><strong>Employee + Spouse</strong></td>
<td></td>
<td>$ 323.58</td>
<td>$ 323.58</td>
<td>$ 629.33</td>
<td>$ 629.33</td>
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<tr>
<td><strong>Employee + Child(ren)</strong></td>
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<td>$ 196.97</td>
<td>$ 196.97</td>
<td>$ 386.42</td>
<td>$ 386.42</td>
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<tr>
<td><strong>Family</strong></td>
<td></td>
<td>$ 494.62</td>
<td>$ 494.62</td>
<td>$ 851.22</td>
<td>$ 851.22</td>
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<table>
<thead>
<tr>
<th>Coverage Category</th>
<th>Monthly EMPLOYER Premium</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Core</td>
<td>Plus</td>
<td>CDHP</td>
<td></td>
</tr>
<tr>
<td><strong>Employee</strong></td>
<td></td>
<td>Current</td>
<td>2019</td>
<td>Current</td>
<td>2019</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$ 662.30</td>
<td>$ 662.30</td>
<td>$ 750.31</td>
<td>$ 750.31</td>
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<tr>
<td><strong>Employee + Spouse</strong></td>
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<td>$ 1,393.60</td>
<td>$ 1,393.60</td>
<td>$ 1,605.22</td>
<td>$ 1,605.22</td>
</tr>
<tr>
<td><strong>Employee + Child(ren)</strong></td>
<td></td>
<td>$ 911.01</td>
<td>$ 911.01</td>
<td>$ 1,013.97</td>
<td>$ 1,013.97</td>
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<tr>
<td><strong>Family</strong></td>
<td></td>
<td>$ 1,297.10</td>
<td>$ 1,297.10</td>
<td>$ 1,480.30</td>
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</table>
Scope of Changes: Medical Plan Co-Pays

• Medical Plan Copays

<table>
<thead>
<tr>
<th></th>
<th>PCP</th>
<th>Specialist with Referral</th>
<th>Specialist w/o Referral</th>
<th>Tele-Medicine</th>
<th>Urgent Care</th>
<th>Emergency Room</th>
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<tbody>
<tr>
<td>Core Copay</td>
<td>$30.00</td>
<td>$50.00</td>
<td>$90.00</td>
<td>$10.00</td>
<td>$75.00</td>
<td>$200.00</td>
</tr>
<tr>
<td>Plus Copay</td>
<td>$20.00</td>
<td>$40.00</td>
<td>$80.00</td>
<td>$10.00</td>
<td>$75.00</td>
<td>$200.00</td>
</tr>
</tbody>
</table>

• Medical Referrals
  – Through Aptta Health, a primary care physician (PCP) referral model is recommended, but not required, to encourage correct referrals to the correct specialists, in order to attain better healthcare outcomes for employees.
### Scope of Changes: Deductibles & Out of Pocket Amounts

#### In-Network Deductibles

<table>
<thead>
<tr>
<th>Plan</th>
<th>Single</th>
<th>Family</th>
<th>Single</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Plan</td>
<td>$1,650.00</td>
<td>$3,525.00</td>
<td>$1,650.00</td>
<td>$3,300.00</td>
</tr>
<tr>
<td>Plus Plan</td>
<td>$1,150.00</td>
<td>$2,275.00</td>
<td>$1,150.00</td>
<td>$2,300.00</td>
</tr>
<tr>
<td>HSA Plan</td>
<td>$2,400.00</td>
<td>$4,400.00</td>
<td>$2,700.00</td>
<td>$5,400.00</td>
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</table>

#### In-Network Out of Pocket Amounts

<table>
<thead>
<tr>
<th>Plan</th>
<th>Single</th>
<th>Family</th>
<th>Single</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Plan</td>
<td>$4,950.00</td>
<td>$8,460.00</td>
<td>$4,950.00</td>
<td>$8,460.00</td>
</tr>
<tr>
<td>Plus Plan</td>
<td>$3,450.00</td>
<td>$5,460.00</td>
<td>$3,450.00</td>
<td>$5,460.00</td>
</tr>
<tr>
<td>HSA Plan</td>
<td>$4,800.00</td>
<td>$7,350.00</td>
<td>$5,400.00</td>
<td>$9,100.00</td>
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</tbody>
</table>

*OOP is Out of Pocket Maximum. These OOP values represent In-Network maximums. Out-of-Network claims have no maximum out of pocket amount.*
Scope of Changes: Deductibles & Out of Pocket Amounts

- Out-of-Network Deductibles

<table>
<thead>
<tr>
<th>Current Deductibles</th>
<th>2019 Deductibles</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Single</td>
</tr>
<tr>
<td>Core Plan</td>
<td>$1,650.00</td>
</tr>
<tr>
<td>Plus Plan</td>
<td>$1,150.00</td>
</tr>
<tr>
<td>HSA Plan</td>
<td>$2,400.00</td>
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</table>

- Out-of-Network Out of Pocket Amounts

<table>
<thead>
<tr>
<th>Current Total OOP*</th>
<th>2019 Total OOP*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Single</td>
</tr>
<tr>
<td>Core Plan</td>
<td>No Maximum</td>
</tr>
<tr>
<td>Plus Plan</td>
<td>No Maximum</td>
</tr>
<tr>
<td>HSA Plan</td>
<td>No Maximum</td>
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</table>
### Scope of Changes: Pharmacy – Magellan Rx

- **Pharmacy Copay**

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<thead>
<tr>
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<th>Current</th>
<th>2019</th>
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</thead>
<tbody>
<tr>
<td><strong>Core Copay</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail (30 days)</td>
<td>$10.00</td>
<td>$10.00</td>
</tr>
<tr>
<td></td>
<td>$35.00</td>
<td>$35.00</td>
</tr>
<tr>
<td></td>
<td>$75.00</td>
<td>$75.00</td>
</tr>
<tr>
<td></td>
<td>25% ($150 max)</td>
<td>25% ($150 max)</td>
</tr>
<tr>
<td>Mail-Order (90 days)</td>
<td>$20.00</td>
<td>$20.00</td>
</tr>
<tr>
<td></td>
<td>$70.00</td>
<td>$70.00</td>
</tr>
<tr>
<td></td>
<td>$150.00</td>
<td>$150.00</td>
</tr>
<tr>
<td>Optional Retail (90 days)</td>
<td>$30.00</td>
<td>$20.00</td>
</tr>
<tr>
<td></td>
<td>$105.00</td>
<td>$105.00</td>
</tr>
<tr>
<td></td>
<td>$225.00</td>
<td>$225.00</td>
</tr>
</tbody>
</table>

| **Plus Copay**       |                       |                       |
| Retail (30 days)     | $10.00                | $10.00                |
|                      | $35.00                | $35.00                |
|                      | $75.00                | $75.00                |
|                      | 25% ($150 max)        | 25% ($150 max)        |
| Mail-Order (90 days) | $10.00                | $10.00                |
|                      | $60.00                | $60.00                |
|                      | $150.00               | $150.00               |
| Optional Retail (90 days) | $15.00            | $15.00                |
|                      | $90.00                | $90.00                |
|                      | $225.00               | $225.00               |

<table>
<thead>
<tr>
<th><strong>HSA PLAN (no copay)</strong></th>
<th>Current</th>
<th>2019</th>
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</thead>
<tbody>
<tr>
<td>Retail (30 days)</td>
<td>20% after deductible</td>
<td>20% after deductible</td>
</tr>
<tr>
<td>Mail-Order (90 days)</td>
<td>20% after deductible</td>
<td>20% after deductible</td>
</tr>
<tr>
<td>Optional Retail (90 days)</td>
<td>NA</td>
<td>NA</td>
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</table>

*Specialty Rx covered 25% to a maximum of $150.00*
Vision Plan Changes:

• Effective January 1, 2019, our vision coverage will be through EyeMed.

<table>
<thead>
<tr>
<th>Tier of Coverage</th>
<th>9-month</th>
<th>12-month</th>
<th>9-month bi-weekly</th>
<th>12-month bi-weekly</th>
<th>Annually</th>
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<tbody>
<tr>
<td>Employee Only</td>
<td>$9.16</td>
<td>$6.87</td>
<td>$4.34</td>
<td>$3.17</td>
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<td>Employee + Spouse</td>
<td>$16.40</td>
<td>$12.30</td>
<td>$7.77</td>
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<td>$147.60</td>
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<td>Employee + Child(ren)</td>
<td>$19.16</td>
<td>$14.37</td>
<td>$9.08</td>
<td>$6.63</td>
<td>$172.44</td>
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<td>Family</td>
<td>$23.68</td>
<td>$17.80</td>
<td>$11.22</td>
<td>$8.20</td>
<td>$213.16</td>
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</tbody>
</table>

• In or Out of Network eye doctor? [www.eyemed.com](http://www.eyemed.com). Search the Insight network

• No Vision card!

• No network disruption.
Other Open Enrollment Opportunities:

OneAmerica Voluntary Term Life and Accidental Death & Dismemberment “One-Time” Enrollment Opportunity

- Election ONLY during Open Enrollment October 22 – November 2, 2018. 01/01/2019 effective date.

- No Medical Review, previous declines excluded

- Employees working 37.5 or more hours per week can enroll up to $150,000 in Supplemental Life coverage through One America

- Legal dependent spouses under age 70 can enroll up to $50,000 guarantee issue coverage. Employee must be enrolled, cannot exceed 100% of employee election

- Legal dependent children under age 25 can enroll up to $10,000 guarantee issue coverage. Employee must be enrolled, cannot exceed 100% of employee election

- This enrollment requires a paper enrollment form, no online option. Contact askHR@butler.edu for more information and an enrollment packet.

- Please note: If you decide to “Waive/Decline” the Guarantee Issue (GI) opportunity 01/01/2019, future requests will require EOI- Evidence of Insurability (medical review and approval for any level of coverage requested).
Future Direction:

Increase consumerism: Empowering employees to become actively involved in choices concerning health care:

- Increasing awareness of and participation in the CDHP/HSA plan.
- Increase employee engagement with Apta Health care coordinators.
- Strengthen partnership with Healthy Horizons.

Options to Explore:

- Changing (increasing, decreasing or eliminating) plans, plan designs, and premiums.
- Creating a balanced approach to pricing the medical plans.
- Further distributing the cost between employee and employer, amongst the plans and amongst coverage categories (tiers).
- Exploring wellness programs.
Future Direction:

Options to explore...

- Offer ancillary/voluntary benefit programs that will complement the core benefits.
- Explore options with health partners.
- Focus on preventative measures and inspiring a healthy workforce.
## Open Enrollment: October 22 – November 2, 2018

### Benefit Information Forums

<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thursday</td>
<td>10/4/2018</td>
<td>8:30 AM</td>
<td>Robertson Hall, Ford Salon</td>
</tr>
<tr>
<td>Tuesday</td>
<td>10/9/2018</td>
<td>11:30 AM</td>
<td>Jordan Hall, Rm 141</td>
</tr>
<tr>
<td>Friday</td>
<td>10/12/2018</td>
<td>10:00 AM</td>
<td>Robertson Hall, Ford Salon</td>
</tr>
<tr>
<td>Tuesday</td>
<td>10/16/2018</td>
<td>4:00 PM</td>
<td>Pharmacy Bldg, Rm 204</td>
</tr>
<tr>
<td>Thursday</td>
<td>10/18/2018</td>
<td>10:30 AM</td>
<td>Pharmacy Bldg, Rm 204</td>
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</table>

### Open Enrollment Lab Sessions

<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday</td>
<td>10/23/2018</td>
<td>3:00 PM</td>
<td>Jordan Hall, Rm 041 PC Lab</td>
</tr>
<tr>
<td>Thursday</td>
<td>10/25/2018</td>
<td>9:00 AM</td>
<td>Jordan Hall, Rm 348 PC Lab</td>
</tr>
<tr>
<td>Monday</td>
<td>10/29/2018</td>
<td>4:00 PM</td>
<td>Jordan Hall, Rm 348 PC Lab</td>
</tr>
<tr>
<td>Wednesday</td>
<td>10/31/2018</td>
<td>Noon</td>
<td>Jordan Hall, Rm 041 PC Lab</td>
</tr>
<tr>
<td>Friday</td>
<td>11/2/2018</td>
<td>1:00 PM</td>
<td>Jordan Hall, Rm 041 PC Lab</td>
</tr>
</tbody>
</table>
Open Enrollment: October 22 – November 2, 2018

- My.Butler.edu online enrollment will open on the morning of October 22, 2018 and close at end of business on November 2, 2018.

- Enrolling Online
  - To view your current benefit elections: go to my.butler.edu
  - Follow the online instructions to complete your benefits review, dependent review, and enrollment.

- Please note: If you are a full-time, benefits eligible employee, (whether you are making changes or not), you are required to visit my.butler.edu to enroll, re-enroll, or waive your offer of Butler University benefits coverage, during the Open Enrollment period, October 22 – November 2, 2018.

- Questions: askHR@butler.edu