

Health Benefits Committee Recommendations for Budget Planning Council

January 30, 2009

Health Benefits Committee Charge

- Provide Budget Planning Council with recommendations to decrease University benefits expenditures by:
 - \$1 million
 - \$3 million
 - \$5 million

\$1 Million Recommendation

	Current Benefit	Plan Change	Plan Change Impact
Mandatory Generic	not in place	Implement	\$400,000
Mandatory Mail Order	not in place	Implement	\$400,000
Spouse Surcharge (\$50 Month)	not in place	Implement	\$100,000
Premium based on Highest Paid OU Spouse	not in place	Implement	\$60,000
		Total	\$960,000

\$3 Million Recommendation

	Current Benefit	Plan Change	Plan Change Impact
Premiums	9.85%	12.15%	\$900,000
Deductible	None	\$200 / \$400	\$800,000
Co-Insurance Limit	\$750 / \$1,500	\$1,000/\$2,000	\$137,500
Office Visit Copay	\$15	\$20	\$220,000
Mandatory Generic	not in place	implement	\$400,000
Mandatory Mail Order	not in place	implement	\$400,000
Spouse Surcharge (\$50 Month)	not in place	implement	\$100,000
Premium based on Highest Paid OU Spouse	not in place	implement	\$60,000
		Changes Total	\$3,017,500

\$5 Million Recommendation

	Current Benefit	Plan Change	Plan Change Impact
Premiums	9.85%	16%	\$2,131,000
Deductible	None	\$300 / \$600	\$1,200,000
Co-Insurance Limit	\$750 / \$1,500	\$1,500 / \$3,000	\$495,000
Office Visit Copay	\$15	\$20	\$220,000
Mandatory Generic	not in place	implement	\$400,000
Mandatory Mail Order	not in place	implement	\$400,000
Spouse Surcharge (\$50 Month)	not in place	implement	\$100,000
Premium based on Highest Paid OU Spouse	not in place	implement	\$60,000
		Total Impact	\$5,006,987

All Recommendations

	Current	\$1 Million	\$3 Million	\$5 Million
Premiums	9.85%	No change	12.15%	16%
Deductible	None	No change	\$200 / \$400	\$300 / \$600
Co-Insurance Limit	\$750 / \$1,500	No change	\$1,000/\$2,000	\$1,500 / \$3,000
Office Visit Copay	\$15	No change	\$20	\$20
Mandatory Generic	not in place	implement	implement	implement
Mandatory Mail Order	not in place	implement	implement	implement
Spouse Surcharge (\$50 Month)	not in place	implement	implement	implement
Premium based on Highest Paid OU Spouse	not in place	implement	implement	implement

Premium Comparison

	Current 9.85%	12.15%	16%
Single Monthly	\$30 - \$54	\$38 - \$68	\$49 - \$88
Annual	\$360 - \$648	\$456 - \$816	\$588 - \$1,056
Single + 1 Monthly	\$61 - \$108	\$76 - \$135	\$99 - \$177
Annual	\$732 - \$1,296	\$912 - \$1,620	\$1,188 - \$2,124
Family Monthly	\$91 - \$162	\$113 - \$202	\$149 - \$265
Annual	\$1,092 - \$1,944	\$1,356 - \$2,424	\$1,788 - \$3,180

Deductible and Co-Insurance

- **Deductible:** Amount the employee must pay before the health plan begins paying claims.
- **Exempted from Deductible and Co-Insurance:**
 - Office Visits (currently \$15 copay)
 - Prescription Drugs (various copays)
 - Preventive Care exams, vaccinations, procedures, etc. (\$15 copays; 100% coverage)
 - Physical Therapy Visits (currently \$15 copay)
 - Osteopathic Manipulation (currently \$15 copay)
 - Speech Therapy (currently \$15 copay)
 - Occupational Therapy (currently \$15 copay)
 - Chiropractic Therapy (currently \$15 copay)
 - Maternity (currently \$15 copay)
 - Mental health – outpatient therapy visits
 - Hearing benefits (specific benefit and limits)
 - TMJ benefits (specific benefit and limits)
- **Subject to Deductible and Co-Insurance**
 - Everything not listed above
 - Surgery; Inpatient Care; Outpatient Care; Labs; X-Ray; Diagnostic testing; etc.

Recommended Improvements

	Current Benefit	Plan Change	Impact or Note
Healthy Ohio	NA	Implement	Approved by Vision Ohio
Dental Annual Maximum	\$750 per person	\$1,500 per person	+\$300,000
Dental Employee Premium	No premium for employee	\$5 monthly premium for employee	Can offset cost of annual max increase by \$75,000
Vision – Improve Fac. And Admin Benefit	\$25 per exam. \$55 to \$75 for glasses and frames	Provide same benefit as Classified Staff	+\$225,000
Domestic Partner Eligibility	Same Sex Only	Include Opposite Sex	Minimal – Equity Impact
Increase Child Eligibility with \$50 Monthly Surcharge	To age 19 or 23 if a full time student	To age 25 if a full time student	Increase risk (max exposure \$250,000)
Medical Lifetime Maximum	\$2,000,000	\$3,000,000	University increased risk

Additional Recommended Changes

	Current Benefit	Plan Change	Impact or Note
Mental Health Benefits	First 5 visits paid 100%; remaining visits paid 70%	First 5 visits paid 100%; \$15 copay thereafter	Equity / Enhancement Minimal impact
Emergency Room Visits	no deductible; 90%	\$50 Copay Per Visit	Minimal – Encourage use of family physician
Survivor Health Care Benefit	6 months at university expense	Up to 5 years at university expense	\$9,600 or applicable standard rate
Adoption Benefits	None	\$5,000 provided for associated fees	\$30,000

Recommendation	Impact or Note
Consider placing Dental, Vision, Life Insurance out for bid	Pursue efficiencies and/or improved benefit. Research tie in with IUC institutions.

Additional Recommendations: Healthy Ohio

- Healthy Ohio
 - Health Risk Appraisal (HRA) \$162,000
 - Assumes 30% participation
 - Wellworks Membership Incentive \$27,000
 - For members who utilize Wellworks 100 times per year
 - Disease Management Programs \$110,000
 - Preventive Care Updates \$100,000
 - Follow Anthem standards, which are more flexible and cover more vaccines and procedures.
- Annual Total \$399,000
- February 13 Deadline to offer HRA in FY2009

Employee Paid Benefits Enhancements and/or Additions

- Pursue the following
 - Supplemental Life Insurance
 - Increase benefit allowed to \$500,00
 - Dependent Life Insurance
 - Increase benefit allowed to \$50,000
 - Short Term Disability
 - Long Term Care
 - Legal Services