

Employee Healthcare Program

2016 Employee Plans

- **Number of employees, by group, eligible for healthcare coverage**
 - **Full-time Employees = 17,800 (*four plan options*)**
 - **Graduate Assistants = 3,400 (*single plan*)**
 - **Medical Residents = 1,200 (*single plan*)**
- **Over 46,000 lives (employees, spouses, and children)**
- **HDHP & HSA Plans (2) - 82%, or 13,500 employees enrolled in FY15**
- **PPO network (3 plans) and Exclusive network (1 plan) Self-funded plan with internal incurred liability reserves**
- **Salary-based premiums, with reduction for non-use of tobacco (\$25 employee, \$50 employee and spouse)**
- **Retirees age 65 or older may enroll in a fully insured Medicare supplement by paying the full premium (no IU contribution).**



Employee Healthcare Program 2016 Employee Plans

Mercer Consulting engaged for benchmark analysis of employee medical and dental plans

- **Most recent two full years of data: 2013 & 2014**
- **Two benchmark groups selected:**
 - **Indiana employers with 5,000+ employees**
 - **Big 10 and AAU**



Employee Healthcare Program 2016 Employee Plans

Mercer benchmarking results

- **IU benefit plan costs are managed effectively**
- **Overall 'per employee' claim cost trends are at or below benchmarks**
- **HDHP plan 'per employee' costs are below benchmarks**
- **Negotiated PPO administrative services fees (admin and network access) are 13% below the median cost**



Employee Healthcare Program

2016 Employee Plans

- **FY 2015/2016 IU Budget**
 - **Full-time employees - \$218.9 million**
 - **Graduate Assistants and Medical Residents - \$22 million**
- **For the 2016 benefit plan year**
 - **5.3% increase in IU contribution for full-time employee health care - \$11.0 million**
 - **National projections – 6.5% increase**



Employee Healthcare Program 2016 Employee Plans

2016 Medical Plan Options Rate Increases Full-Time Employees

	Premium % Increase (2015 to 2016)	Total Premium Employee-Only Coverage Level
IU Health HDHP & Health Savings Account	7.2%	\$293.58
PPO HDHP & Health Saving Account	4.9%	\$327.03
PPO \$900 Deductible	5.3%	\$647.31
PPO \$500 Deductible	5.9%	\$749.22

Note: Premium increases represent combined increase for both Indiana University and employee. Employee premiums as a percent of total premium vary from 12% to 42% based on salary band.



Employee Healthcare Program 2016 Employee Plans

Same-sex Domestic Partner Benefits Proposed Resolution

As a matter of fairness following the July, 2015, Supreme Court ruling that same-sex couples have a constitutional right to marry the same as opposite-sex couples:

- **Domestic partner benefits will be eliminated effective January 1, 2017.**
- **Domestic partners registered prior to January 1, 2016, may enroll in and continue coverage for the 2016 plan year; however, a marriage certification will be required to continue coverage after December 31, 2016.**

