



**INDIANA STATE UNIVERSITY
BOARD OF TRUSTEES
FINANCE COMMITTEE AGENDA
October 12, 2018
10:30 a.m. – 11:30 a.m.**

Recommendation Items:

- 1. Proposed University Health Benefits Plan for 2019**
- 2. Proposed 2018-19 State Repair & Rehabilitation Request**

Informational Items:

- 1. Review Investment Performance of Operating Funds**
- 2. Annual Financial Audit Update**



Schedule of Regular Review Items:

- August – Review State Budget Request (only in even years)**
- October – Review Investment Performance of Operating Funds
Annual Financial Audit Update**
- December – Review Audited Financial Statements**
- February – Review Federal Audit
Discussion of Preliminary Budget Planning Assumptions
Review Proposed Housing and Dining Rates
Review Debt Plan**
- May/June – Review Proposed Tuition and Fees (only in odd years)
Review Final Proposed Operating Budgets**

RECOMMENDATION ITEMS:

1. PROPOSED UNIVERSITY HEALTH BENEFITS PLAN FOR 2019

Medical Coverage: It is recommended that the University's medical plan continue to be administered by Anthem. In 2018, the University began offering employees two plan options – a Preferred Provider Organization (PPO) plan and a High Deductible Health Plan (HDHP). No plan design changes are recommended for the PPO plan in 2019. Changes recommended for the HDHP for 2019 include a reduction in the in-network family deductible from \$6,000 to \$4,000 and a reduction in the in-network out-of-pocket (OOP) maximum from \$6,550 to \$5,000 for an employee-only plan and from \$13,100 to \$10,000 for a family plan to be more comparable with similar High Deductible Health Plans.

Prescription Drug Coverage: It is recommended that the University continue to utilize the State of Indiana Aggregate Prescription Purchasing Program (IAPPP). CVS Caremark will continue as prescription drug administrator for this program in 2019.

Dental Coverage: It is recommended that the University's dental coverage continue to be administered by Delta Dental of Indiana with no change in coverage.

Specific Stop Loss: The \$250,000 individual stop loss deductible policy is recommended to be continued with Anthem for 2019.

Employee Coverage - Contribution Rates: The University closely monitors health plan costs and actuarially determines rates for both the PPO plan and HDHP. Favorable claims experience has resulted in a recommendation of no employee rate increase for 2019. The 2019 rates and plan designs for both plan options were reviewed and endorsed by the Employee Health Benefits Advisory Committee.

ISU Health Plan rates are based on wellness participation. Participation of employees on the coverage provides a \$30 per month rate discount during 2019. Spouses covered on the plan who participate will be provided with an additional \$20 per month rate discount. There is also a \$50 per month tobacco surcharge per employee and an additional \$50 surcharge per month for spouses who are tobacco users. Employees /spouses may agree to participate in a tobacco cessation program to avoid the surcharge for up to two years.

The University will continue to offer a voluntary subsidy program for employees whose household income is less than 200 percent of the 2018 Federal Poverty Guidelines. Subsidy health coverage rates are 33 percent less than the employee standard rates.

The following premium rates are recommended for employees effective January 1, 2019. The rates as shown below are inclusive of medical, prescription drug, dental coverage, wellness screenings, administrative fees, and stop-loss insurance. Health coverage rates for 2018 are also included for comparative purposes.

Proposed 2019 ISU Health Coverage Monthly Rates

Employee Rates - PPO Plan

	2019 Standard Rate*	2018 Standard Rate*
Employee	\$241.00	\$241.00
Employee/Child(ren)	\$445.00	\$445.00
Employee/Spouse	\$582.00	\$582.00
Employee/Dependents	\$637.00	\$637.00

Employee Rates - High Deductible Health Plan (HDHP)

	2019 Standard Rate*	2018 Standard Rate*
Employee	\$176.00	\$176.00
Employee/Child(ren)	\$344.00	\$344.00
Employee/Spouse	\$454.00	\$454.00
Employee/Dependents	\$497.00	\$497.00

Employees Below 200% of Federal Poverty Level - PPO Plan Only

	2019 Standard Rate*	2018 Standard Rate*
Employee	\$161.00	\$161.00
Employee/Child(ren)	\$298.00	\$298.00
Employee/Spouse	\$390.00	\$390.00
Employee/Dependents	\$427.00	\$427.00

2019 Wellness Incentive & Tobacco Surcharge - Monthly Rate Adjustments

	Wellness Incentive	Tobacco Surcharge
Employee**	(\$30.00)	\$50.00
Spouse**	(\$20.00)	\$50.00

* Standard rate assumes employee does not use tobacco and has not received wellness incentive.

** Employee and spouse each receive separate discount or surcharge for participation.

Retirees Age 65 and Over - Plan Design: It is recommended the fully-insured medical and prescription drug plan for eligible retirees who are age 65 or over be continued with AmWINS with no change in coverage. Express Scripts will underwrite the prescription drug plan for 2019. Eligible retirees under age 65 will be covered by the employee Anthem Plan and may participate in the HDHP until they attain age 65.

Retirees Age 65 and Over - Contribution Rates: Proposed retiree rates for the fully insured retiree medical coverage, Part D prescription drug program and self-insured dental coverage decreased by 11.3% for 2019 and are listed below. Option II provides retirees with an expanded Part D prescription drug program.

Medical and Prescription Plan (with self-insured Dental)	Proposed 2019 Retiree Cost (Per Person Per Month)	2018 Retiree Cost (Per Person Per Month)
Option #1	\$102.00	\$115.00
Option #2 (enhanced prescription plan coverage)	\$213.00	\$226.00

Recommendation: Approval of the health coverage and rates as presented effective January 1, 2019.

2. **PROPOSED 2018-19 STATE REPAIR & REHABILITATION REQUEST**

The 2017 Indiana General Assembly appropriated \$1,391,284 for Repair and Rehabilitation projects at Indiana State University for the 2018-19 fiscal year.

Recommendation: Approval to request the Indiana Commission for Higher Education, the State Budget Committee, the State Budget Agency, and the Governor of the State of Indiana to authorize the following projects totaling \$1,391,284 from Repair and Rehabilitation appropriation as shown below:

General Repair and Rehabilitation

Landini Center for Performing and Fine Arts Fire Alarm Replacement	\$300,000
Technology Building A Roof Replacement	400,000
Exterior Lighting Replacements	250,000
Masonry Restoration	200,000
Electrical/Mechanical Repairs	75,000
HVAC Improvements	<u>166,284</u>
Total	\$1,391,284

INFORMATIONAL ITEMS:

1. **Review of Operating Funds Investment Performance – Capital Cities**
2. **Annual Financial Audit Update**