



Indiana State University Board of Trustees

Finance Committee Meeting

October 23, 2020

State Room, Tirey Hall and via Zoom

2:30 p.m. - 3:15 p.m.



Finance Committee Agenda - October 23, 2020

1. Recommendation Item

3b University Health Benefits Plan for 2021

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2. Informational Items

Review Investment Performance of Operating Funds

Annual Financial Audit Update

3. Schedule of Regular Review Items

Schedule of Regular Review Items

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3b University Health Benefits Plan for 2021

Medical Coverage: It is recommended that the University's medical plan continue to be administered by Anthem. The University offers employees two plan options – a Preferred Provider Organization (PPO) plan and a High Deductible Health Plan (HDHP). No plan design changes are recommended for either plan for 2021.

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 2021. An optimization program, Prudent Rx, will be added to the coverage for 2021. In order to implement this program a change in the cost share for employees purchasing specialty medications will change to a 30% coinsurance amount.

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

Employee Coverage - Contribution Rates: The following premium rates are recommended for employees effective January 1, 2021. This increase in health benefit plan rates is the first in a three year period. The rates, as shown below, are inclusive of medical, prescription drug, dental coverage, wellness costs, administrative fees, and stop-loss insurance.

Proposed 2021 ISU Health Coverage Monthly Rates

Employee Rates - PPO Plan

	2020 Standard Rate*	2021 Standard Rate*	Monthly Increase
Employee	\$241.00	\$253.00	\$12.00
Employee/Child(ren)	\$445.00	\$467.00	\$22.00
Employee/Spouse	\$582.00	\$611.00	\$29.00
Employee/Dependents	\$637.00	\$668.00	\$31.00

Employee Rates - High Deductible Health Plan (HDHP)

	2020 Standard Rate*	2021 Standard Rate*	Monthly Increase
Employee	\$176.00	\$185.00	\$9.00
Employee/Child(ren)	\$344.00	\$361.00	\$17.00
Employee/Spouse	\$454.00	\$476.00	\$22.00
Employee/Dependents	\$497.00	\$521.00	\$24.00

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

	2020 Standard Rate*	2021 Standard Rate*	Monthly Increase
Employee	\$161.00	\$169.00	\$8.00
Employee/Child(ren)	\$298.00	\$311.00	\$13.00
Employee/Spouse	\$390.00	\$407.00	\$17.00
Employee/Dependents	\$427.00	\$445.00	\$18.00

2020 Wellness Incentive & Tobacco Surcharge**

	2020 Monthly Rate Adjustment	2021 Monthly Rate Adjustment
Employee Wellness Incentive	(\$30.00)	(\$30.00)
Spouse Wellness Incentive	(\$20.00)	(\$20.00)
Employee Tobacco Surcharge	\$50.00	\$50.00
Spouse Tobacco Surcharge	\$50.00	\$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.

Note: For employees paid bi-weekly, monthly rates are divided by two and taken over 24 pays in a year.

Retirees Age 65 and Over - Plan Design: It is recommended the fully-insured Medicare Supplement and prescription drug plan for eligible retirees who are age 65 or over be continued with AmWINS with no change in coverage. Transamerica Premier Life Insurance Company will continue to underwrite the Medicare Supplement plan and Express Scripts will continue to underwrite the prescription drug plan for 2021.

In addition to the current plan, it is recommended to offer an alternative Medicare Advantage Plan with AmWINS. This plan is underwritten by Humana for medical and prescription drugs, and replaces the traditional Medicare A and B for retirees electing this option. The prescription drug coverage has the same cost sharing plan design as the current plan.

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 are listed below. These rates include the proposed Medicare Advantage Plan options. The retiree rate for the Medicare Supplement Plan and Part D prescription drug plan will remain the same as in 2020 for retirees electing Rx Plan 1. Rx Plan 2 provides retirees with an expanded Part D prescription drug program.

Proposed 2021 Retiree Health Coverage Rates

	2020 Retiree Rate	2021 Retiree Rate	Monthly Increase
Medicare Supplement Plan & Part D Rx Plan #1	\$102.00	\$102.00	\$0.00
Medicare Supplement Plan & Part D Rx Plan #2	\$217.88	\$222.63	\$4.75
Medicare Advantage Plan & Part D Rx Plan #1	n/a	\$45.41	n/a
Medicare Advantage Plan & Part D Rx Plan #2	n/a	\$74.43	n/a

Recommendation: Approval of the health coverage and rates as presented effective January 1, 2021.

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
Review Proposed Housing and Dining Rates**

**February – Review Federal Audit
Discussion of Preliminary Budget Planning Assumptions
Review Debt Plan**

**May/June – Review Proposed Tuition and Fees (only in odd years)
Review Final Proposed Operating Budgets**