

Proposed Changes in IU Healthcare Benefits

- **Medical Premiums** (payroll contributions)
 - will increase incrementally over the next three years
 - will be income-based (tiers) for employees not participating in Health Engagement Program
 - continued uniform contribution for employees in Health Engagement Program
 - new premiums will be available in August
- ***Quit for Life* Tobacco Cessation Program**
 - will continue for employees enrolled in any IU health plan
- ***Mind and Body* Program**
 - weight loss program for employees enrolled in any IU health plan
 - will start in July 2010
- **Tobacco-free Wellness Program**
 - will be integrated into the Health Engagement Program

IU Health Engagement Program

- is being drafted by Dan Rives and Hewitt Associates (with input from an intercampus committee)
- voluntary program
- rolled out in 3 phases
- payroll incentives if targets are met
- implemented next year with first phase starting fall 2010
- official program announcement starting in July and throughout summer months

Health Engagement Program

Incentives for healthy outcomes -- employees *and* spouses/domestic partners covered by IU's employee medical plans

Objectives:

- **Improve the health of covered individuals**
- **Reduce the growth rate of healthcare expenditures**
- **Ensure the delivery of efficacious healthcare services**

IU's Health Engagement Program

Incentives for Healthy Outcomes Employees and Spouses/Domestic Partners

Phase 1
Jan. 2011

- Increase in employee payroll contributions
- Credits for health assessments and non-use of tobacco

Phase 2
Jan. 2012

- Increase in employee payroll contributions
- Credits for health status outcomes

Phase 3
Jan. 2013

- Increase in employee payroll contributions
- Credits for compliance with physician directions

Health Engagement Program

Incentives for Healthy Outcomes Employees and Spouses/Domestic Partners

Phase 1
Jan. 2011

- Increase in employee payroll contributions
- Credits for health assessments and non-use of tobacco

- Complete Health Risk Assessment (web based)
- Complete Biometric Assessment
 - Basic blood screen
 - Blood pressure
 - Body Mass Index (BMI)
- ~~Verifiable~~ Non-use of Tobacco (Affidavit)

NOTE: HRA and Biometrics to be completed by October 1, 2010

Health Engagement Program

Incentives for Healthy Outcomes Employees and Spouses/Domestic Partners

Phase 2
Jan. 2012

- Increase in employee payroll contributions
- Credits for health status outcomes

- Blood pressure
- Cholesterol level
- Glucose level
- Body Mass Index (BMI) target

Everything as YEAR 1 but biometric targets need to be met from this point forward.

Initial Biometric Targets

Requirement	Healthy	Target
Body Mass Index	<27	<30
Blood Pressure	<120/80	<140/90
LDL	<130 mg/dL	<160 mg/dL
Glucose	<100 mg/dL	<110 mg/dL
Tobacco free	Yes	Yes

- partial credit for meeting some but not all of the targets
- targets will become more stringent over time

Exceptions for Biometric Targets

- ▶ Annual Physician ordered exceptions such as
 - Pregnancy
 - Cancer patient
 - Weight Loss due to physical limitation (ex. patient in wheelchair)
 - BMI not achieved due to excessive muscle mass

NOTE: There will be no appeals panel

Health Engagement Program

Incentives for Healthy Outcomes Employees and Spouses/Domestic Partners

Phase 3
Jan. 2013

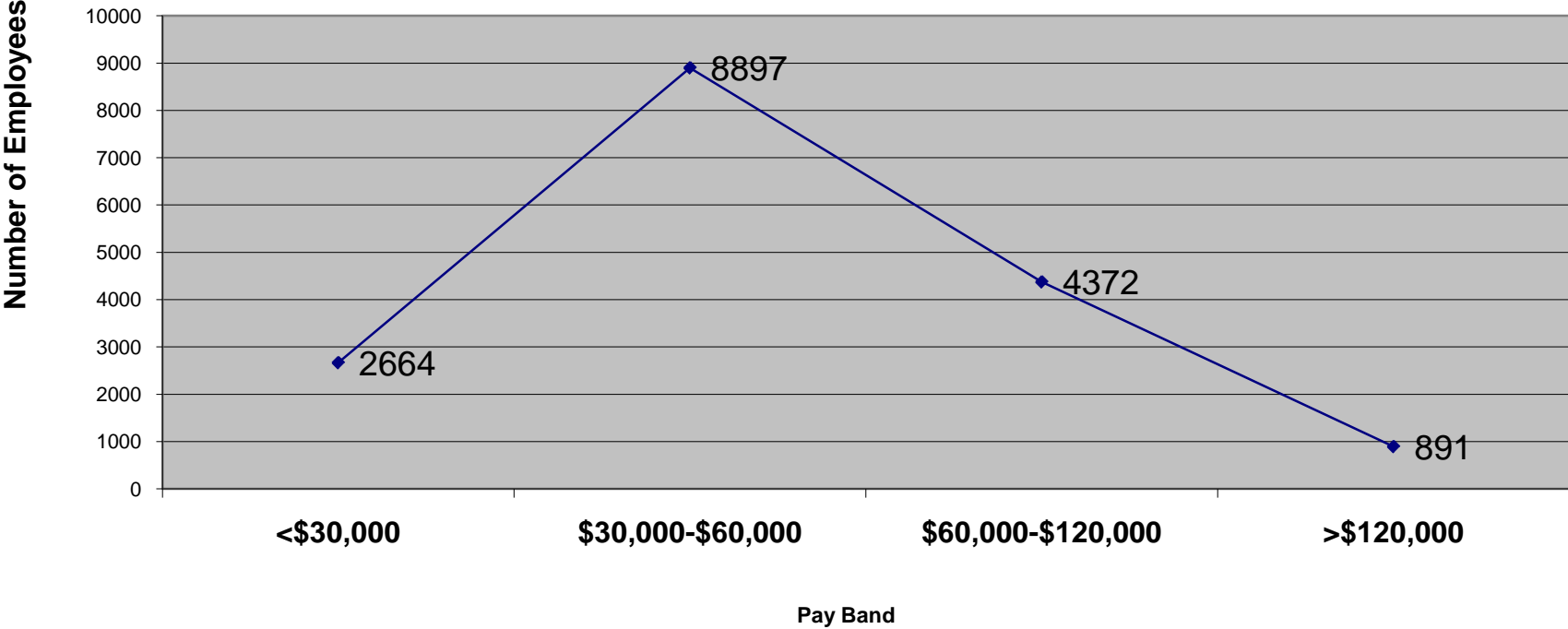
- Increase in employee payroll contributions
- Credits for compliance with physician directions

- Treatment plans
- Disease management directions
- Prescription drug and medication regimen
- Annual checkups
- Preventive screening tests

NOTE: Biometrics will be taken as well and targets must be met.

Proposed Incentive Structure

Proposed Pay Bands



Proposed Pay Band Incentive

Pay Band	YEAR 1	YEAR 2	YEAR 3	YEAR1-3 Employee	YEAR 1-3 Employee plus Spouse
<\$30,000	25%	50%	100%	\$20*	\$40*
\$30,000-\$60,000	25%	50%	100%	\$40*	\$80*
\$60,000-\$120,000	25%	50%	100%	\$60*	\$120*
>\$120,000	25%	50%	100%	\$80*	\$160*
				* Per month	

Mid-August an online tool will be made available that will allow employees to perform a personal cost-benefit analysis.