Review of the Process

• Rice has had the same set of health plans for the past 11 years
  – These plans have served us well, but
  – Health care is changing nationally and locally, and
  – As a best practice, we needed to review our options to determine what will work for Rice for the next 5-10 years

• The benefits committee endorsed the review process and provided feedback throughout
Goals for the Health Plans

• The benefits committee annually discusses changes to plan design and proposed rates against a background of key goals for the plans. These goals include:
  – Ensuring **affordability** of plans for employees of all income levels, with special attention to keeping the HMO, our most populated and least expensive plan, affordable.
  – Ensuring **choice**, so that networks are broad and there is access to out-of-network providers in some options.
  – Emphasizing **preventative care, wellness** and **healthy behavior** (such as case management for chronic illnesses and zero copays for high blood pressure therapy, increasing copays for emergency room treatment in lieu of primary care, and providing an “employee clinic” at Baylor College of Medicine).
  – Keeping the plan **financially sound** for both employees and Rice (keeping generic drug costs low, driving business to urgent care vs. emergency rooms, encouraging participation in the lowest-cost plan).
  – Keeping the plans **equitable** (making sure one plan is not unduly subsidizing the expenses of another plan).
Review of Insurance Companies

• Rice requested proposals from the 4 major insurance companies in Houston:
  – Aetna
  – Blue Cross/Blue Shield
  – CIGNA
  – UnitedHealth Care
• We looked at the services provided as compared to Aetna’s current Rice offering
• We also asked them to propose plan designs that will meet the unique needs of the university
• Aetna was selected and they remain the best choice for Rice
Current Landscape

- Rice currently offers the following plans (and enrollment in each plan):

<table>
<thead>
<tr>
<th>Medical Plan</th>
<th>Faculty</th>
<th>Staff</th>
<th>Total</th>
<th>% Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>RiceCare HMO</td>
<td>295</td>
<td>1,363</td>
<td>1,658</td>
<td>62%</td>
</tr>
<tr>
<td>RiceCare Flexplan (POS)</td>
<td>237</td>
<td>535</td>
<td>772</td>
<td>29%</td>
</tr>
<tr>
<td>RiceCare PPO</td>
<td>130</td>
<td>97</td>
<td>227</td>
<td>9%</td>
</tr>
<tr>
<td>RiceCare Catastrophic</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>664</td>
<td>1,996</td>
<td>2,660</td>
<td>100%</td>
</tr>
</tbody>
</table>
Current Landscape

• Enrollment in the HMO and PPO are declining, whereas the POS is rising:

![Graph showing annual percentage active enrollment in medical plans](image-url)
Current Landscape

- The HMO remains the most cost effective plan and the PPO the least cost effective on a per employee per year basis:
Current Landscape

- HMO remains the plan of choice (62% overall)
- The POS plan has grown in popularity
- The catastrophic plan is not sustainable
- HR and the benefits committee also want to offer another, lower cost option for our faculty and staff
- The Affordable Care Act (Obamacare) is increasing pressure on all health plans
  - Increased regulation
  - Fees
  - Pressure to keep plan designs not as rich
    - 40% excise tax on “rich” plans in 2018
- The PPO plan needs revitalization

03/04/2014
Medical Plans for 2014-2015

• All plans will have a new, increased level of customer service from Aetna (concierge customer service)

• Lower cost, limited network Memorial Hermann Accountable Care Organization (ACO) plan
  – Limited to 505 primary care doctors and 1,395 specialists (as compared to 3,056/9,330 in current HMO)
  – MD Anderson, St. Luke’s, Methodist, and Baylor College of Medicine not available in the ACO plan

• Aetna HMO
  – Same plan as currently offered, but with minimal copay changes
  – National service area (you can elect the HMO anywhere in the US)

• Aetna Choice POS II
  – Same plan as currently offered, but with copay and out-of-pocket maximum changes
  – Broader network of doctors than current POS plan
  – National service area (you can elect the POS II anywhere in the US)
Medical Plans for 2014-2015

- **High Deductible Health Plan (HDHP)**
  - PPO, but with higher deductible ($1,750 individual/$5,250 family)
  - Coinsurance for doctors office visits (no copayments)
  - Prescriptions subject to the deductible
  - Significantly lower premiums than current PPO (21.1% less)
  - Using the same Aetna POS II network (very little disruption from PPO)
  - Offered with Health Savings Account (HSA), which is more flexible than the current medical spending account
    - Funds carry-over from year to year (no “use it or lose it” provision)
    - In 2014, the annual pre-tax contribution limits are $3,300 for individuals and $6,550 for families
    - Account is portable, should you leave Rice, and you can invest the contributions for long-term growth
    - Cannot enroll in medical spending account
    - Cannot enroll in HSA if covered by other insurance, including Medicare
    - Unlike the medical spending account, the HSA funds are not all available on day one
### Medical Plans for 2014-2015

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Aetna Whole Health</th>
<th>HMO</th>
<th>Choice POS II</th>
<th>HDHP (Choice POS II)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Service Area</strong></td>
<td><strong>Medical Design</strong></td>
<td><strong>Medical Design</strong></td>
<td><strong>Medical Design</strong></td>
</tr>
<tr>
<td></td>
<td>Houston</td>
<td>National</td>
<td>National</td>
<td>National</td>
</tr>
<tr>
<td></td>
<td><strong>In Network</strong></td>
<td><strong>Out-of-Network</strong></td>
<td><strong>In Network</strong></td>
<td><strong>Out-of-Network</strong></td>
</tr>
<tr>
<td><strong>Deductible</strong></td>
<td>$0</td>
<td>N/A</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Copays (PCP/Spec)</strong></td>
<td>$20 / $30</td>
<td>N/A</td>
<td>$25 / $35</td>
<td>$30 / $40</td>
</tr>
<tr>
<td><strong>Coinsurance</strong></td>
<td>100%</td>
<td>N/A</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>OOP Max</strong></td>
<td>$1,500 / $3,000</td>
<td>N/A</td>
<td>$2,000 / $4,000</td>
<td>$3,000 / $6,000</td>
</tr>
<tr>
<td><strong>Inpatient</strong></td>
<td>$250 / admit</td>
<td>N/A</td>
<td>$300 / admit</td>
<td>$400 / admit</td>
</tr>
<tr>
<td><strong>Outpatient</strong></td>
<td>$100 copay</td>
<td>N/A</td>
<td>$175 copay</td>
<td>$200 / admit</td>
</tr>
<tr>
<td><strong>Preventive Care</strong></td>
<td>100%</td>
<td>N/A</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Urgent Care</strong></td>
<td>$50 copay</td>
<td>N/A</td>
<td>$50 copay</td>
<td>$50 copay</td>
</tr>
<tr>
<td><strong>Emergency Care</strong></td>
<td>$175 copay, waived if admitted</td>
<td>$175 copay, waived if admitted</td>
<td>$175 copay, waived if admitted</td>
<td>$175 copay, waived if admitted</td>
</tr>
<tr>
<td></td>
<td><strong>Rx Design</strong></td>
<td><strong>Envision</strong></td>
<td><strong>Out-of-Network</strong></td>
<td><strong>Envision</strong></td>
</tr>
<tr>
<td><strong>Generic</strong></td>
<td>$10</td>
<td>N/A</td>
<td>$10</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Preferred Brand</strong></td>
<td>$35</td>
<td>N/A</td>
<td>$35</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Non-Preferred Brand</strong></td>
<td>$55</td>
<td>N/A</td>
<td>$55</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Specialty</strong></td>
<td>25% up to $125</td>
<td>N/A</td>
<td>25% up to $125</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Spending Account Option</strong></td>
<td>MSA</td>
<td>MSA</td>
<td>MSA</td>
<td>MSA</td>
</tr>
</tbody>
</table>

03/04/2014
### Medical Rates for 2014-2015

#### Monthly Premiums

<table>
<thead>
<tr>
<th></th>
<th>Employee</th>
<th>Rice</th>
<th>Total</th>
<th>% Change</th>
<th>Per Mo.</th>
<th>Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Memorial Hermann ACO</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE Only</td>
<td>$77</td>
<td>$416</td>
<td>$493</td>
<td>7.3%</td>
<td>-$6</td>
<td>($72)</td>
</tr>
<tr>
<td>EE + Sp</td>
<td>$290</td>
<td>$770</td>
<td>$1,060</td>
<td>7.3%</td>
<td>-$23</td>
<td>($276)</td>
</tr>
<tr>
<td>EE + Ch</td>
<td>$253</td>
<td>$679</td>
<td>$932</td>
<td>7.3%</td>
<td>-$20</td>
<td>($240)</td>
</tr>
<tr>
<td>EE + Fam</td>
<td>$494</td>
<td>$1,035</td>
<td>$1,529</td>
<td>7.3%</td>
<td>-$39</td>
<td>($468)</td>
</tr>
<tr>
<td><strong>Aetna HMO</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE Only</td>
<td>$89</td>
<td>$479</td>
<td>$568</td>
<td>6.8%</td>
<td>$6</td>
<td>$72</td>
</tr>
<tr>
<td>EE + Sp</td>
<td>$334</td>
<td>$888</td>
<td>$1,222</td>
<td>6.8%</td>
<td>$21</td>
<td>$252</td>
</tr>
<tr>
<td>EE + Ch</td>
<td>$291</td>
<td>$783</td>
<td>$1,074</td>
<td>6.8%</td>
<td>$18</td>
<td>$216</td>
</tr>
<tr>
<td>EE + Fam</td>
<td>$569</td>
<td>$1,194</td>
<td>$1,763</td>
<td>6.8%</td>
<td>$36</td>
<td>$432</td>
</tr>
<tr>
<td><strong>Aetna Choice POS II</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE Only</td>
<td>$143</td>
<td>$611</td>
<td>$754</td>
<td>6.8%</td>
<td>$9</td>
<td>$108</td>
</tr>
<tr>
<td>EE + Sp</td>
<td>$506</td>
<td>$1,136</td>
<td>$1,642</td>
<td>6.8%</td>
<td>$32</td>
<td>$384</td>
</tr>
<tr>
<td>EE + Ch</td>
<td>$446</td>
<td>$1,001</td>
<td>$1,447</td>
<td>6.8%</td>
<td>$28</td>
<td>$336</td>
</tr>
<tr>
<td>EE + Fam</td>
<td>$859</td>
<td>$1,509</td>
<td>$2,368</td>
<td>6.8%</td>
<td>$54</td>
<td>$648</td>
</tr>
<tr>
<td><strong>High Deductible Health Plan</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE Only</td>
<td>$179</td>
<td>$712</td>
<td>$891</td>
<td>21.1%</td>
<td>($48)</td>
<td>($576)</td>
</tr>
<tr>
<td>EE + Sp</td>
<td>$543</td>
<td>$1,209</td>
<td>$1,752</td>
<td>21.1%</td>
<td>($145)</td>
<td>($1,740)</td>
</tr>
<tr>
<td>EE + Ch</td>
<td>$525</td>
<td>$1,171</td>
<td>$1,696</td>
<td>21.1%</td>
<td>($141)</td>
<td>($1,692)</td>
</tr>
<tr>
<td>EE + Fam</td>
<td>$932</td>
<td>$1,648</td>
<td>$2,580</td>
<td>21.1%</td>
<td>($249)</td>
<td>($2,988)</td>
</tr>
</tbody>
</table>

*(Compared to Current HMO:)*

*(Compared to Current PPO:)*
Why Do Premiums Keep Going Up?

- Our own medical claims expenses drive the cost up – remember, all of us pay for the health care that we all use (i.e., claims are paid from Rice’s bank account).
- How is your spending on:
  - Prescription drugs?
  - Frequency of plan usage?
  - High-tech treatments?
  - Use of the emergency room vs. urgent care?
What Can I Do to Help?

• Monitor your use of the medical plan
• Take care of yourself and participate in wellness programs
• Think about your use of the emergency room:
  – What is an ER and what is “urgent care?”
  – Don’t wait until the weekend to seek care (go to your doctor during the week)
• Consider using a generic prescription drug instead of a brand name
  – Nexium, Cymbalta, Celebrex, Symbicort, Lunesta, Restasis, Evista, Sandostatin LAR, Oxycontin, & Actonel are all going or recently off of patent
• Consider where you buy your medications
  – Use the mail order program (participants love it!) and it saves $
• Make sure that your dependents are truly eligible under our plans

03/04/2014
What Else is Changing?

- Dental plan through United Concordia is moving to Aetna
  - Same plan design
  - Slightly lower rates (6% less)
- All other benefits remain as-is
What Does This Mean to Me?

• Can I keep my current medical plan?
  – Review new Memorial Hermann ACO option
  – HMO = Yes
  – POS = Yes
  – PPO = Review options and select plan
    o those not making a selection will default into the HDHP
  – Catastrophic = Review options and select new plan

• Can I keep my doctor?
  – ACO = only if you use Memorial Hermann doctors/facilities
  – HMO = network remains the same as current HMO
  – POS/HDHP = new Aetna POS II (Open Access) network
    o Search online at http://www.aetna.com/docfind
    o Non-network doctors still available (but at a higher out-of-pocket cost)
Your “To-Do” List

• Determine in which plan are you currently enrolled
• Review the new plan designs and rates
  – New Memorial Hermann ACO option
  – PPO shifting to high deductible health plan (HDHP)
  – Catastrophic plan eliminated
  – More information will be posted at http://people.rice.edu/OE.aspx
• Come to an information session
  – HR will hold many sessions across campus before open enrollment
    o Open enrollment = April 7 – April 25, 2014
    o Rice Fest = April 8, Grand Hall, RMC/Ley Student Center
• Determine what is the best fit for you
• Make any changes in Esther (http://esther.rice.edu)
• Don’t ask your colleagues – ask HR!
• Be engaged in your health care decisions