University of Southern Indiana
2027 Insurance Renewal

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UNIVERSITY OF SOUTHERN INDIANA®

Strengthening Long-Term Sustainability Through Strategic Benefits Management

- Benefit Broker Partnership
- Strategic Actions
- Total Savings Estimate
- Rebalance Total Rewards
- Sustainability

Enhanced Expertise That Elevated Our 2027 Results

Our partnership with Segal assisted us in:

- Evaluating benefit plan performance
- Benchmarking against peer institutions and regional employers
- Negotiating pricing with vendors
- Identifying opportunities to strengthen long-term strategy

Addressing Rising Costs and Market Misalignment to Protect USI's Future

- Rising medical and pharmacy costs
- High utilization of medical plans
- Market misalignment: USI benefits richer than peers
- Need to rebalance Total Rewards for sustainability
- State Funding decline
- Tuition Revenue remains static

Implementing Targeted, High-Impact Changes for 2027 Stability

Actions Implemented

- Prescription Benefit Provider (PBM) change
- Core & Surest Plan design changes
- Targeted adjustments to medical premiums
- Post-65 Retiree Medicare Advantage Plan consolidation

Pharmacy Benefit Manager Change



Estimated 2027 Savings

- Actives: $224,079
- Pre-65 Retirees: $9,337
- **Total: $233,416**

Medical Plan Design Changes
Estimated Savings

Active Employee Plans

- Core: $157,999
- Surest: $905,679
- **Total: $1,063,678**

Pre-65 Retirees Plans

- Core: $9,435
- Surest: $42,849
- **Total: $52,284**

Employee Contribution Changes

- Subsidized tier updated: $41k → $50k
- HSA positioned as base plan
- Surest and Core premiums increased significantly to align with market
- Higher increases for Employee + Spouse

Estimated Savings

- **$1,102,946**

2027 Active Employee Premiums
HSA

HSA	2027 Total Premium	2027 USI Bi-Weekly Contributions ($)		2027 Employee Bi-Weekly Contributions ($)	
Coverage Tier	Rate	$50K & Over	Under $50k	$50K & Over	Under $50k
SINGLE	$851.38	$766.24	$787.52	$85.14	$63.86
EMP & SPOUSE	$1,874.24	$1,675.82	$1,725.42	$198.42	$148.82
EMP & CHILD	$1,412.04	$1,270.84	$1,306.14	$141.20	$105.90
FAMILY	$2,334.20	$2,100.78	$2,159.12	$233.42	$175.08

2027 Active Employee Premiums
Core

Core	2027 Total Premium	2027 USI Bi-Weekly Contributions ($)		2027 Employee Bi-Weekly Contributions ($)	
Coverage Tier	Rate	$50K & Over	Under $50k	$50K & Over	Under $50k
SINGLE	$1,130.02	$886.82	$947.62	$243.20	$182.40
EMP & SPOUSE	$2,488.14	$1,900.36	$2,047.30	$587.78	$440.84
EMP & CHILD	$1,874.40	$1,389.32	$1,510.58	$485.08	$363.82
FAMILY	$3,098.92	$2,407.42	$2,580.28	$691.50	$518.64

2027 Active Employee Premiums
Surest

Surest	2027 Total Premium	2027 USI Bi-Weekly Contributions ($)		2027 Employee Bi-Weekly Contributions ($)	
Coverage Tier	Rate	$50K & Over	Under $50k	$50K & Over	Under $50k
SINGLE	$1,089.40	$938.62	$976.30	$150.78	$113.10
EMP & SPOUSE	$2,398.38	$2,033.96	$2,125.04	$364.42	$273.34
EMP & CHILD	$1,806.84	$1,506.08	$1,581.26	$300.76	$225.58
FAMILY	$2,987.08	$2,558.34	$2,665.52	$428.74	$321.56

Post-65 Retiree Initiatives

Medicare Advantage with Prescription Drugs (MAPD) Plan Consolidation

- All retirees moved to one Medicare Advantage Plan (Core)
- Buy-Up plan eliminated
- No plan design changes
- Medical and pharmacy unbundled
- Contribution percentages unchanged

Estimated Savings

- **$425,968**

2027 Post-65 Retiree Premiums

Medicare Advantage Plan Core	Total Monthly Premium	2027 Retiree Monthly Contributions ($)	2027 USI Monthly Contributions ($)
Coverage Tier	**Rate**	**25%**	**75%**
Single	$180.87	$45.22	$135.65

2027 Saving Estimates

Active Employee	Savings
PBM Changes	$ 224,079
Medical Plan Design Changes	$ 1,063,678
Employee Contribution Changes	$ 1,102,946
Total	**$ 2,390,703**

Retirees	Savings
PBM Change (pre-65)	$ 9,337
Medicare Plan Design Changes	$ 52,284
Medicare Advantage Plan Consolidation and Unbundling Medical and RX	$ 425,968
Total	**$ 487,589**

Strategic Impact

- Estimated Savings of **$2.9 Million**
- Closer Aligns plan design and employee contributions with market
- Reduces long-term financial exposure
- Supports transition toward balanced Total Rewards

Cost Savings Achieved With No Changes to Key Benefits

- No changes to University premiums or employee premiums
- Plan structure and providers remain the same
  - Dental (HRI Dental & Vision)
  - Vision (Anthem Blue View Vision)
  - Basic & Voluntary Life & AD&D, Short Term & Long Term Disability, Hospital Indemnity, Accident, and Critical Illness (Sun Life)
  - Employee Assistance Program (TimelyCare)

Strengthening Base Pay Through Strategic Reinvestment

- Reinvest in benefit savings into base pay
- Implement a $2.00/hour increase for benefits-eligible hourly employees
- Establish $15.50/hour as the minimum rate for the lowest grade
- Enhances recruitment, retention, and market competitiveness

Retirement Contribution Rebalance (2027)
Benefits Eligible Administrators and Faculty

- Decrease the University's TIAA retirement contribution from 11% to 9%
- Move the 2% difference directly into employee base pay
- This adjustment aligns USI with peer institutions and supports a more balanced compensation structure

2027 Review

- **USI achieved $2.9 Million in 2027 savings** through strategic plan design, contribution alignment, and vendor optimization
- **Benefits remain competitive** while moving closer to market benchmarks and improving long-term sustainability
- **Rebalancing Total Rewards** strengthens base pay, supports recruitment and retention, and improves affordability for employees
- **Strategic actions reduce long-term financial exposure** and position USI for continued responsible stewardship

2028 Priorities Already Underway

- **Sustainability:** Medical plan design, pharmacy rebates, retiree trends
- **Cost Management:** Ongoing optimization across medical and pharmacy
- **Market Alignment:** Benchmarking and contribution tier review
- **Total Rewards Balance:** Benefits vs. base pay strategy

Questions?

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