



Aetna Renewal 2006
Faculty Senate Presentation
September 2005

OVERVIEW

- Aetna's proposed 2006 rates reflect an increase of 6.9% in employer costs and 13.3% in employee costs
- No significant benefit design changes in 2006
 - Added smoking cessation prescription drugs
- Renewals were based on OU employee utilization during first 5 months with Aetna – generated best outcome
- Proposed rates have been reviewed and are actuarially sound and consistent with rate guarantees

COMPARATIVE INFORMATION

- National trends are from 10% to 13%, with HMO's experiencing the higher trends
- AETNA is still an overall better value than the State Plan, OU employees save \$1.8 million and have better plan designs
- The University's contribution strategy is still significantly different than most institutions, public or private
- The University's plan designs are very competitive and mainstream

PPO Comparison

- OU, OSEEGIB have essentially the same PPO plan design. Aetna advantages include:
 - lower maximum out-of-pocket costs,
 - lower family deductibles,
 - national network

Renewal Rates PPO/HealthFund

AETNA RENEWAL RATES 2006

	Current 05 Aetna Rate	Proposed Aetna 06 Rate	Dollar Difference From Current	% Difference From Current	More/(Less) Than OSEEGIB
Aetna Managed Choice –Actives (5300 participants)					
Employee Only	\$303.88	\$322.30	\$18.42	6.1%	3.8%
Spouse	\$410.25	\$449.28	\$39.03	9.5%	(0.2%)
Children	\$206.65	\$232.17	\$25.52	12.3%	(7.3%)
Family	\$647.28	\$699.86	\$52.58	8.1%	(0.1%)
Aetna Health Fund (200 participants)					
Employee Only	\$266.09	\$287.38	\$21.29	8.0%	6.7%
Spouse	\$321.44	\$353.05	\$31.61	9.8%	(9.1%)
Children	\$143.16	\$160.50	\$17.34	12.1%	(25.5%)
Family	\$528.99	\$577.20	\$48.21	9.1%	(4.4%)

HMO Comparison

- OU HMO plans are a better value in all combinations of benefits, rates and networks than the State's 8 options
- With the addition of a State option, Aetna expects growth in its Central Oklahoma HMO network.

Renewal Rates- HMO

	Current 05 AETNA Rate	Proposed AETNA 06 Rate	Dollar Difference From Current	% Difference From Current	More/(Less) Than OSEEGIB
Low Option HMO (2400 participants)					
Employee Only	\$269.65	\$304.69	\$35.04	13.0%	(11.6%)
Spouse	\$326.61	\$390.13	\$63.52	19.4%	(14.9%)
Children	\$148.62	\$189.00	\$40.38	27.2%	(44.1%)
Family	\$536.56	\$627.36	\$90.80	16.9%	(21.2%)
High Option HMO (375 participants)					
Employee Only	\$393.26	\$444.37	\$51.11	13.0%	16.5%
Spouse	\$479.88	\$563.31	\$83.43	17.4%	11.0%
Children	\$361.70	\$429.78	\$68.08	18.8%	15.0%
Family	\$794.28	\$918.57	\$124.29	15.6%	4.2%

Summary

- Renewal with Aetna recommended at proposed rates
- Negotiation of a 2007 rate guarantee will be initiated
 - PPO and HMO rates not to exceed actuarial equivalent state rates will be goal