

## HIGHER EDUCATION

**CUSTOMER**

INDIANA UNIVERSITY

**CHALLENGE**

Drive down rising healthcare costs by increasing enrollment in high-deductible health plans (HDHPs) and help employees more effectively use their HSA funds.

**SOLUTION**

Castlight helped lower IU's healthcare cost trend by arming employees with actionable cost and quality information as well as personalized information about their health benefit programs to improve healthcare decisions and better manage HSA funds.

*"The one healthcare initiative where we can actually see and measure results is with Castlight. We have data to show employees are using the technology to find...care at a lower cost. And that translates into a lower cost for Indiana University as well."*

*~ Christan Royer*  
HEALTHCARE PROGRAMS MANAGER  
INDIANA UNIVERSITY

## Indiana University earns top marks for decreasing healthcare spending and helping employees find more affordable care options

Indiana University is a large public university with its flagship campus based in Bloomington, Indiana. Founded nearly 200 years ago, the university today consists of seven campuses statewide and serves more than 110,000 students. IU has an annual operating budget of around \$2.25 billion, and is the fourth largest employer in the state—with approximately 18,000 full-time faculty and staff members. That includes about 1,600 physicians at the Indiana University School of Medicine, who offer valuable feedback on the university's benefits, wellness initiatives, and other programs.

**CHALLENGES**

With approximately 43,000 lives covered, healthcare costs at IU had been outpacing other overhead for years. To address this, in 2009 the university launched its first high-deductible health plan (HDHP). The plan grew modestly over the next three years,

**5%**

Decrease in healthcare cost trend in 2014

**84%**

IU employees opting for HDHP

reaching an enrollment of around 1,500. Even with these small numbers, the university enjoyed a significant cost savings from its HDHP enrollment, when compared to traditional preferred provider organization (PPO) plans.

With healthcare costs continuing to rise, the university's board of trustees directed HR to find a way to contain those expenses. In addition, many employees—from those nearing retirement to recent hires from the private sector—were expressing a preference for HDHPs paired with health savings accounts (HSAs).

“We needed a plan that was innovative and could compete in the marketplace,” said Christan Royer, healthcare programs manager at Indiana University. “Our strategy focused on increasing enrollment in our HDHP to manage costs, provide attractive benefits, and encourage increased enrollment. To do this, we partially ‘seeded’ the HSAs that are paired with our HDHPs.”

But as enrollment in the HDHP increased, most employees found that they lacked the information needed to understand what specific procedures, tests, and other services cost—to enable them to better decide how to spend the funds in their HSAs.

“Our employees were used to traditional PPOs with low deductibles or flat-dollar co-pays, so they had no idea how much they were actually spending on healthcare,” Royer explained. “They were shocked at how quickly their HSA funds were being used up. So, our strategy was two-fold: continue to increase enrollment in the HDHPs, but also find a solution that would provide employees information needed to make smarter choices about medical services.”

## SOLUTION

In June of 2013 with the faculty away for the summer, IU implemented a “soft launch” of the Castlight health benefits platform that enables employers to deliver world-class benefits and optimize their investment in healthcare while empowering employees with personalized information for improved healthcare decision-making. Then, during the next open enrollment period in the fall, the university launched a broad-ranging campaign with Castlight's support

to aggressively promote the new platform as well as its HDHP option—pushing enrollment in the high-deductible plan to 72% of its employee base.

“Castlight really stood out as the one platform in the marketplace that could provide all the information employees needed,” remarked Royer. “And it was displayed in a way that was truly actionable. Employees could easily understand the information. Users could see what they would pay for a service and where they were at with their deductible and their HSA balances. So we were really leveraging new technology as a way to encourage our employees to be better healthcare consumers.”

In 2014, IU sponsored a spring incentive promotion featuring drawings for Apple® iPad® minis for people who had registered with Castlight and used the solution to search for care. And in the fall, the university conducted another full-scale communications campaign in support of what were now two HDHP options—plus the Castlight platform.

## RESULTS

### SURPASSING 80% ENROLLMENT IN HDHPS

IU's efforts in the most recent enrollment period increased enrollment to 84 percent, or approximately 14,000 employees in the HDHP. At the same time, Castlight registrations soared past the 5,000 mark.

The university's employees aren't just creating a Castlight account and then leaving it unused, either. On average, IU users view around 12 pages every time they log in. In addition, more than 50% of the users return again and again—a strong indication of how employees are relying on Castlight to enable them to make smarter healthcare decisions.

“We have not received any negative feedback on the Castlight solution,” Royer commented. “That's a huge win from an HR perspective, because anyone who's worked in our field knows that there's always some type of bad feedback. But many employees have even said that this is the best thing HR has done.”

Also worth noting—Indiana University's employees are not only using Castlight to shop for medical care, but they have also been top contributors in submitting physician reviews. These are available

to all users— not just those at IU—as part of the comprehensive healthcare quality data in Castlight. This demonstrates how thoroughly engaged the university’s employees have become with the solution.

## LIFE-CHANGING TECHNOLOGY

Employees are finding that the Castlight platform is not merely useful, but that it can also help simplify their lives. The education that Castlight efficiently delivers about recommended preventive care or how to manage chronic conditions has been life-changing. And of course, Castlight is highly effective at empowering employees with truly personalized information about their care choices.

Royer shared a story about “Sean,” an Indiana University employee who enrolled in an HDHP for the first time in 2014. He’s a single parent whose daughter needed a CAT scan. Although he had received a few emails from Castlight without signing up, his daughter’s pending exam finally convinced him to register.

“To Sean’s surprise, he was able to find a provider that was about \$1,000 less than the original one he had been referred to—and it was located only two blocks away,” recalled Royer. “So he now continues to return to Castlight whenever he needs to shop for medical care.”

## LOWER HEALTHCARE COSTS

In addition to enabling its employees to be better healthcare consumers, IU’s HDHPs, an array of wellness initiatives, and the implementation of the Castlight platform have led to a 5% year-over-year decrease in the university’s healthcare cost trend for 2014.

“We’ve introduced many different initiatives that have contributed to this lower cost trend,” Royer said. “But the one healthcare initiative where we can actually see and measure results is with Castlight. We have data to show employees are using the technology to

find...care at a lower cost. And that translates into a lower cost for Indiana University as well.”

Encouraged by the broad acceptance of the Castlight platform, IU has been one of the first Castlight customers to implement Castlight’s pharmacy capabilities to help employees more effectively shop for and manage the cost of prescriptions in the same way that they do for a medical procedure or test.

“It allows employees to compare costs to find prescription savings and also helps them stay in network to fill prescriptions, especially when traveling out of the area,” Royer added. “In addition, it’s a one-stop shop, where employees can look up medical and pharmacy information in one place. No other website allows for this kind of search capability.”

An interesting byproduct of Castlight’s rollout and how it has helped reduce the university’s costs is that before the solution was implemented in 2013, IU reached out to various physician groups and other providers in the area to tell them Castlight was coming. A large imaging provider saw the cost data and realized that its rates were high compared to others in the region. It requested that IU delay its launch, which it did, until the imaging provider could lower its rates and the Castlight application was updated. Of course, those lower rates have benefited IU employees as well as other individuals in need of imaging services.

“We’re now starting to have conversations with employees about the fact that we’re able to keep premium increases flat or lower because we have solutions in place such as Castlight,” noted Royer. “In the past, we couldn’t do this because no one knew what care or service options cost. We hope this dialogue with our employees continues, so we can increase enrollment in both our high-deductible plans and Castlight—to further drive our expense trends down.”

Castlight Health, Inc. (NYSE: CSLT) is a leading health benefits platform provider. Our mission is to empower people to make the best choices for their health and to help companies make the most of their health benefits. We offer a health benefits platform that engages employees to make better healthcare decisions and guides them to the right program, care, and provider. The platform also enables benefit leaders to communicate and measure their programs while driving employee engagement with targeted, relevant communications. Castlight has partnered with more than 190 customers, spanning millions of lives, to improve healthcare outcomes, lower costs, and increase benefits satisfaction.

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