

Report and Resolution of Fringe Benefits Committee of the Senate of Wake Forest University on FY 2018 Fringe Benefits

March 15, 2017

Attached is the presentation made by Wake Forest Human Resources for the potential benefit package for Fiscal Year 2018 (FY 18). It was presented to the Chair of the Wake Forest University Senate Fringe Benefits Committee (SFBC) who shared it with other Committee members. In presenting the report the administration did underscore that the three options presented are not the only options, but serve as different ways of framing the challenge faced by the shortfall in the budget for the medical plan. After extensive discussion, the SFBC urges the full Senate to resolve the following:

Resolved:

In light of the reality that Wake Forest University faculty and staff have been subject to five consecutive years of benefit cuts and/or price increases in their benefits packages, and that additional increases are slated for FY 2018, the Wake Forest University Senate formally expresses its profound concerns regarding the impacts that these continuing cuts and increases will have on faculty and staff morale, employee health and wellness, the ability to recruit and retain high quality faculty and staff, and in the end, the potentially negative effect on the quality of the student experience that can result from the deteriorating benefits package offered to university faculty and staff.

Given a budget shortfall in the faculty and staff medical plan, the Wake Forest University Senate endorses the following measures:

- 1). The administration should seek cuts within other units within the University to cover the deficit that has resulted from the budget shortfall in the medical plan.
- 2). Should such funding be unobtainable, the Senate endorses Option 3 for the WFU FY 2018 medical plan set out in the attached Power Point.
- 3). The Senate insists on the expansion of the medical plan to include Applied Behavior Analysis (ABA) for patients with autism. This coverage is required of all North Carolina state institutions and is becoming the norm across private universities. As an institution WFU should provide at the very least the minimum coverage required by the state of North Carolina. We strongly urge that the administration provide up to \$40k coverage per patient, per year for ABA which is the usual cost.
- 4). Because increasing costs disproportionately affect lower paid faculty, staff and employees, we urge the administration to study the possibility of moving to a system where insurance premiums are tied to income.

Attachment: Human Resources Power Point presentation for FY 18

Submitted by SFBC Committee

Peter Siavelis, Chair
Simone Caron
Ralph Kennedy

Benefits Update

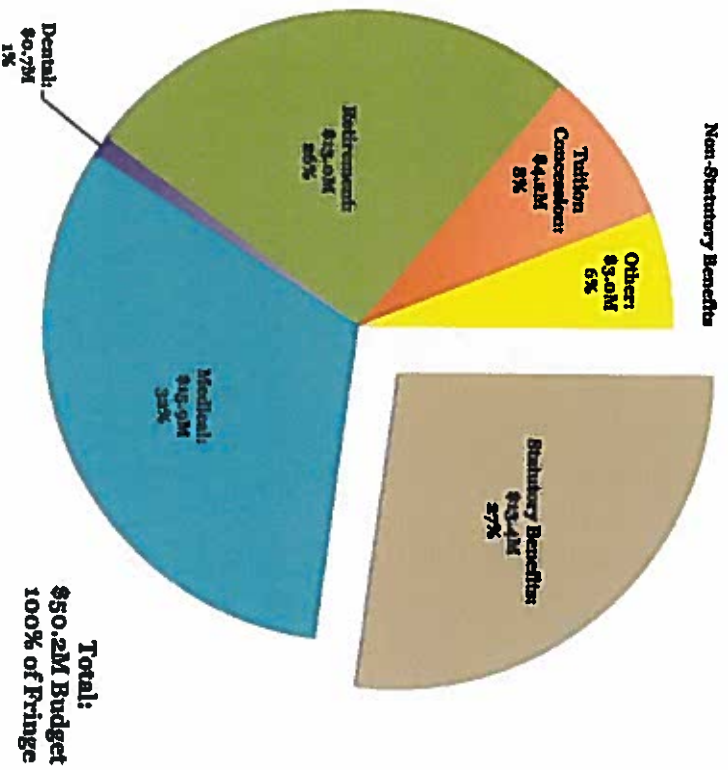


WAKE FOREST
UNIVERSITY

Human Resources

February 21, 2017

Summary



Budget vs. Projection (all dollars in millions)

	FY17 Budget	Projection	Variance Favorable (unfavorable)
Medical*			
FY17	\$15.9	\$17.9	(\$2.0)
FY18		\$19.7	(\$3.8)
Dental			
FY17	\$0.70	\$0.72	(\$0.02)
FY18		\$0.69	\$0.01

*There are ~2,100 faculty and staff enrolled in the medical plan.

FY18 Considerations

- Need cost containment of \$2.1M
- Narrow network for medical services
- Medical plan design changes
- Grandfather in same-sex domestic partner benefits for another year (additional cost)
- Add autism benefit (additional cost)
- Add wellbeing program (additional cost)

FY18 Medical Plan Options*

Option 1

- Increase employee premiums by **30%**
- No change to medical plan design
- Fringe rate remains 28.4%

Option 2

- Increase employee premiums by **19%**
- No change to medical plan design
- Increase fringe rate to 29%
- 1/2% reduction in merit pool

Option 3

- Increase employee premiums by **5%**
- Move to BCBS Value Network
- Minimal medical plan design changes
- Fringe rate remains 28.4%

30%	Low Plan		High Plan	
	Current	FY18	Current	FY18
Individual	\$89	\$116	\$165	\$215
Family	\$326	\$424	\$558	\$725

19%	Low Plan		High Plan	
	Current	FY18	Current	FY18
Individual	\$89	\$106	\$165	\$196
Family	\$326	\$388	\$558	\$664

5%	Low Plan		High Plan	
	Current	FY18	Current	FY18
Individual	\$89	\$93	\$165	\$173
Family	\$326	\$342	\$558	\$586

Option 3 Plan Design Changes	Low Plan				High Plan			
	Current		FY18		Current		FY18	
Deductible	In-Network	Out-of-Network	In-Network	Out-of-Network**	In-Network	Out-of-Network	In-Network	Out-of-Network**
	\$900	\$2,250	\$1,000	\$2,350	\$300	\$750	\$500	\$950
Coinsurance	80%	60%	80%	60%	90%	70%	90%	70%
Out-of-Pocket Max.	\$3,600	\$9,000	\$4,000	\$13,000	\$2,100	\$5,250	\$2,500	\$5,650

*Peer school reviewed. Premium increases may change depending on the additional cost for autism benefits.
 **Out-of-network cost for BCBS Value Network