

## **Fringe Benefit Committee Report – 2/16/2022**

As I am sure you have heard and has been shared in the [2023 Medical Plan Transition](#) webpage, BlueCross BlueShield of North Carolina has announced that it will discontinue Wake Forest's current medical plan's network, Blue Value Network.

The university partnered with Gallagher Benefit Services to perform a request for proposal (RFP) for the 2023 medical plan. Five third-party network carriers were invited to participate in the RFP process, one of which declined to participate. In January, the RFPs were evaluated and ranked based on the following criteria:

- Financials (plan costs, administrative fees, and network discounts)
- Network options (member access and broad versus narrow networks)
- Member disruption (providers and prescription formularies)

The Fringe Benefits Committee (FBC) (HR, Faculty Senate Fringe Benefit Committee and Staff Fringe Benefit Committee) participated in the review of this evaluation process. Based on this evaluation, three third-party network carriers will participate in finalist interviews in late February with Wake Forest administration.

Human Resources will continue to update the [2023 Medical Plan Transition](#) webpage and communicate these updates to campus in the Updates from Human Resources newsletter as more information becomes available. Submit your questions about this process to HR using [this form](#). We will include answers to frequently asked questions on the webpage and in our weekly communications.

### **Other questions about health insurance:**

At last week's Executive Committee Meeting, I was asked why WFU is self-insured.

In conversations with Beth Fay, she did a great job of explaining self-insurance: "A large employer is considered a plan with 200-300 employees in the medical plan. At this number, medical insurers consider the plan to be "fully actuarially credible" for projecting claims costs based on the experience of the enrolled employees (and dependents). Wake Forest currently has around 2,150 employees in the medical plan, with 2,200 covered dependents. Based on Gallagher benchmark data, 90% of employers > 1,000 employees self-insure their medical benefits.

Because medical insurance carriers assume the risk of higher claims plus state and federal premium taxes, Gallagher (Insurance consultant company that helps advise HR benefits people) typically sees **fully-insured plans costing 8-12% higher than self-funded plans due to additional charges medical insurance carriers apply to those plans. Fully-insured plans also limit the ability for an employer to modify plan design and carve out benefits like pharmacy, behavioral health, and stop-loss insurance.**

Also as part of this conversation about self-insurance, others in Executive Committee shared that individuals feel guilty if they have a large claim one year and rates increase. Beth Fay explained

that so well to me- one year it might be me with the big claim for new metal knees, but the next year, it might be someone else. We are all in this together and supporting each other.

We are meeting monthly with HR Fringe Benefits Group with Staff FBC as well. We have had great conversations and very open honest communications.