

# Fringe Benefits Advisory Committee

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*May 27, 2025*

# Agenda

- FY25 Medical Claims Update (through March)
- February - April Recap
- Disease Management RFP Overview
- HDHP with HSA Recap & Timing
- What's Next
- Appendix (full RFP details)

# FY25 Medical Claims Update - as of 03/31/25

## **FY25 Financial Update (through March 2025)**

- Medical is running favorably compared to budget.
- Dental is running favorably compared to budget.

# February - April Recap

- Medical, Pharmacy, Disease Management (RFPs in progress)
- Vision Plan (Renewal Options) | *Recommended Option 5*
  - *increase frame frequency to every 12 mo*
  - *increase frame & contact lens allowance to \$225*
- Quick Wins (possible)
  - Add Dermatology to Teladoc (reviewed concerns, cost, & timing)
  - Increase Infertility Benefits (reviewed peer data, lifetime max, Social Preservation, & cost)
  - Add Disease Management Program
- High Resource Items to Evaluate
  - Salary-Banded Premiums
  - HDHP w/ HSA (reviewed pros/cons, IRS limits, & peer data) | *Recommended*
  - Onsite Health Clinic
- Dental Plan (reviewed peer data, 2026 rate renewal, & annual benefit maximum)
- Weight Loss Medications (reviewed research studies, cost, & other employers)
- Child Care (reviewed NC 5-Star quality rating; hours of operation; enrollment)
- Medical & Pharmacy RFP (reviewed results) | *Recommended Aetna/CVS*
  - *offered best financial proposal*
  - *had least disruption*
- Fiducius Student Debt Counseling Prog. (reviewed utilization, cost, & Enterprise Model)

# Disease Management: Current & RFP

## **Current Disease Management Program**

- Musculoskeletal Program
- Through Hinge Health
- Since January 1, 2025
- 171 currently enrolled (exceeded target enrollment for 2025 by 36%)
- Cost: \$995 per enrolled member

## **Disease Management Program RFP**

### **Vendors:**

- Color, Digbi, Hello Heart, Summus, Transcarent, Tria Health, & Vita Health

### **Selection Considerations:**

- Specialty(ies)
- Cost
- Savings
- Prevalence

# Chronic Conditions: WFU Population

Condition	WFU Annual Spend <sup>(1)</sup>	Potential Carriers
Cancer	\$3.4M – Medical \$600k – Rx	Color, <b>Summus</b> , & Transcarent
Diabetes	\$1.8M – Medical \$1.4M – Rx (Antidiabetic)	Digbi, <b>Summus</b> , <b>Tria Health</b> , & Vita Health
Gastritis / Dyspepsia <sup>(1)</sup> (digestive health)	\$3.7M - Medical \$440k – Rx (GI agents)	Digbi, <b>Summus</b>
Hyperlipidemia <sup>(1)</sup> (heart health)	\$4.5M – Medical \$125k – Rx (Antihyperlipidemic)	Hello Heart, <b>Summus</b> , & <b>Tria Health</b>
Hypertension <sup>(1)</sup> (heart health)	\$5.2M – Medical \$32k – Rx (Antihypertensive)	Hello Heart, <b>Summus</b> , & <b>Tria Health</b>
Musculoskeletal <sup>(2)</sup>	\$2.37M - Medical	<b>Summus</b> & Transcarent
Obesity	\$2.3M – Med \$288k – Rx (Anti-Obesity / Anorexiant)	Digbi, Hello Heart, <b>Summus</b> , <b>Tria Health</b> , & Vita Health

## Observations:

- **Top Spend:** Cancer & Digestive Health
- **Highest Prevalence:** MSK, heart, & digestive conditions
- **Scope:** Summus & Tria Health support the most chronic conditions

<sup>(1)</sup>Digestive and Heart Health annual spend amounts include ALL medical & rx claims, including non-chronic condition(s), so the amounts are inflated.

<sup>(2)</sup>MSK included as some carriers provide support for those members needing surgery.

# Disease Management: Cost, Savings, & Differences

Carrier	Condition	Projected Cost / Engagement	Projected Savings Rankings <sup>(1)</sup> & Savings Mechanisms	Differentiators
Color	Cancer	<b>\$220k</b> 1,000 (Early detection) 6 (Active mgmt.) 10 (Survivorship)	<b>#5</b> Care delivery, reduced expenses, & productivity	Comprehensive, accessible, & proactive cancer care
Digbi	Digestive Health, Obesity, & Cardiometabolic	<b>\$353k</b> 336 members	<b>#1</b> Reduction in BMI, A1C, Rx spend, & medical procedures	Genetic testing & microbiome analysis to pinpoint root causes
Hello Heart	Heart Health	<b>\$200k - \$350k</b> 344 – 600 members	<b>#4</b> Reduction in high-cost claims & lower health care costs	Unmatched heart health outcomes – JAMA Open Network
Summus	120+ specialties, Cancer, Heart Health, & MSK	<b>\$100k - \$138k</b> 11.8% engagement (~ 400 members)	<b>#3</b> Reduction in office visits, ER/UC visits, productivity & changed treatments	Doctor-led clinical navigation with a network of 5,100+ specialists
Transcarent	Benefit navigation, Cancer & MSK	<b>\$52k - \$193k</b> (570 Households)	<b>No savings 1st year</b>	Simplify the way members navigate health and care
Tria Health	Diabetes, Blood Pressure, Obesity, Specialty Meds	<b>\$98k - \$175k (All)</b> 175 members Yr1 out of 1,164 identified	<b>#2</b> Rx & health care savings, adherence & outcomes	Pharmacist led chronic condition management
Vita Health	Cardiometabolic	<b>\$138k</b> 253 projected members	<b>Will cost more 1st year</b>	Bring together human connection, expert coaching & behavior change

<sup>(1)</sup>Projected Cost-Savings is only for year 1. Savings projected to increase with increased engagement.

# Disease Management: Observations & Recommendation

## Observations:

- **Color:** moderate cost, supports one chronic condition, & ranked 5<sup>th</sup> in savings
- **Digbi:** highest cost & ranked 1<sup>st</sup> in savings
- **Hello Heart:** high cost & ranked 4<sup>th</sup> in savings
- **Summus:** lower cost, highest number of specialties, & ranked 3<sup>rd</sup> in savings
- **Transcarent:** lower cost, but no projected savings year 1
- **Tria Health:** lower cost, 2<sup>nd</sup> highest number of specialties, & ranked 2<sup>nd</sup> in savings
- **Vita Health:** lower cost, but the program will cost more year 1

**Recommendation:** Based on *cost, scope of specialties, and projected cost-savings*, recommend the following finalists:

- Summus (specializes in access to the greatest number of specialties through virtual visits, reducing wait times)
- Tria Health (specializes in chronic disease management)

# HDHP with HSA Recap & Timing

## Recap:

- **Pros:** premiums typically lower, triple tax benefits, unlimited rollover, & portable
- **Cons:** deductibles/out-of-pocket maximums are higher, all prescriptions and non-preventive services are paid out-of-pocket until the deductible is met, must meet the family deductible before plan pays for covered services, & may avoid seeking medical treatment due to higher out-of-pocket costs
- **Peers:** most peers offer a HDHP with HSA
- **Intent:** the intent of offering a HDHP will drive plan design
  - Steerage: incentivizing the plan with the lowest premiums would make it attractive, however it may result in members not being able to afford their prescriptions in January.
  - Retirement Vehicle: setting premiums between the High and Low medical plans will minimize the risk of enrolling in a plan where the out-of-pocket costs are unaffordable.
- **Goal:** offer a HDHP with HSA

## Timing: 2027

# What's Next

- Continue to monitor medical claims over the summer
- Conduct Disease Management Finalist Interviews
- Meeting Schedule:
  - FBAC: August - TBD
    - Finalize medical plan premiums & plan design
    - Depending on medical claims:
      - Finalize Disease Management Program
      - Finalize infertility benefits
      - Finalize Fiducius's Enterprise Model
    - Review calendar for 2025-2026 FY