

Staff Council Meeting Summary
Tuesday, March 14, 2018
267 University Hall
1:30- 3:30 p.m.

In attendance: Tom Fortener, Adam Horseman, Dawn Banker, Maureen Barry, Joanie Hendricks, Suzanne Semones, Jerry Hensley, via phone: Casey Dues

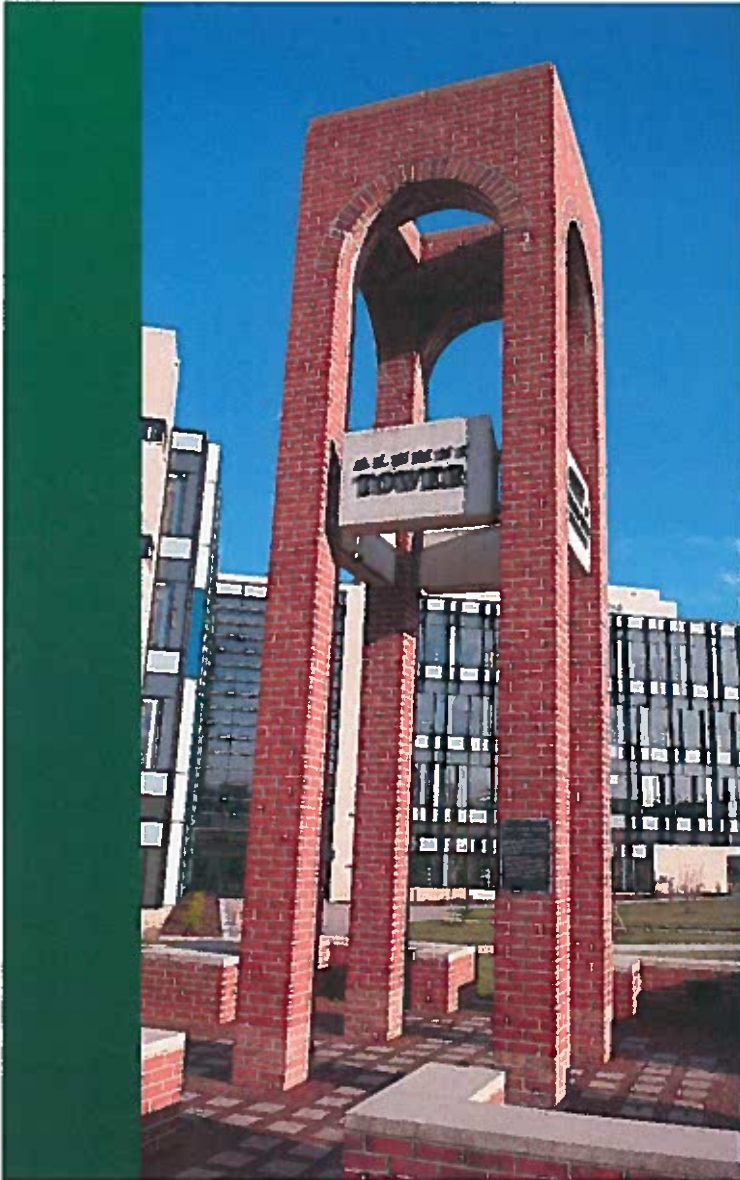
Guest Speakers: Shari Mickey-Boggs, Associate Vice President and Chief Human Resource Officer; Sylvia Brockman, Director, Total Rewards; Monica Mack, Senior Benefits Analyst

New Business

- a. Health plan 80/20 issue – Council expressed concern that notification of issues were not communicated in a timely manner. Shari Mickey-Boggs said that HR had a debrief and will be more proactive with communication in the future.
- b. Health Care Benefit Cost and Update –(see attached slides)
 1. Claims costs were way up from projections for CY17; however, January and February costs were down.
 2. Spousal costs or PMPM (per member per month) are trending up.
 3. Pharmacy plan costs used to run around 5% of total costs and now are accounting for approximately 15% of the costs, largely due to specialty drugs.
 4. Healthcare Plans Best Practices (see slide with same title) – University currently utilizing those with ✓. Other practices listed are best practices and future considerations but not currently in use at WSU.
 5. Suggestions:
 - Send monthly tips to employees – i.e. Tuition remission can be used to take HPR classes; Castlight quick tips
 - Biometric screenings should be incentivized. Employees who complete the biometric screening should pay a lower cost for insurance than those who do not. Covered spouse should also participate in biometric screening.
 - Offer classes: nutrition, cooking, how to find manufacturer assistance for drug costs (rebates)
- c. Castlight –The University's cost for Castlight is \$103K per year. Currently, enrollment is just under 50% of employees, and return rate is 79%.
- d. Furlough – furlough leave policy has been adopted and posted <https://policy.wright.edu/policy/8470-furlough-leave>

Old Business – *Dr. Berberich was unable to attend this meeting. These items held over for April meeting.*

- a. Traffic issues in Millett Hall Parking Lot
- b. Office relocation plan and expenses
- c. Additional cuts for FY18
- d. Staff representation on Provost search committee & committee selection



Staff Council Meeting

March 13, 2018



WRIGHT STATE
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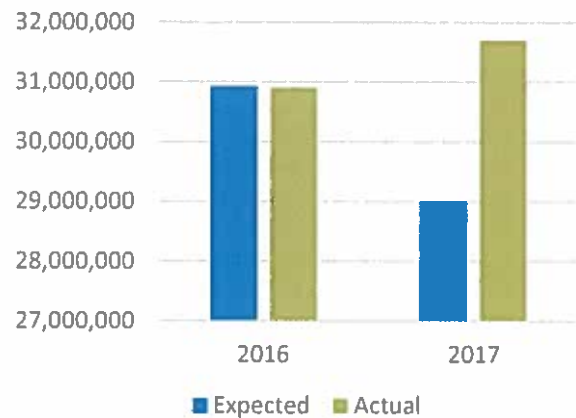
Expected vs Actual*

Source: Horan and Associates, Inc.

| Year | Expected Plan Cost | Actual Plan Cost | Difference |
|------|--------------------|------------------|--------------------|
| 2016 | \$30,912,075 | \$30,927,008 | \$ 14,933 |
| 2017 | \$29,023,415** | \$31,702,652 | \$2,679,237 |

* Does not include costs for Health Savings Account nor the savings for Pharmacy Rebates.

** Expectation was lower than 2016 due to headcount reduction after the Voluntary Retirement Incentive Program (VRIP).



Why such an increase?

1. High Cost Claims



2. Specialty Drugs



High Cost Claims

| Claim Level | 2016 | 2017 |
|-------------|------|-----------|
| \$150,000 | 16 | 18 |
| \$175,000 | 9 | 13 |
| \$200,000 | 5 | 11 |
| \$250,000 | 1 | 8 |
| \$300,000 | 1 | 5 |
| \$500,000* | 1 | 0 |
| Total | 33 | 55 |

*Stop Loss would kick in

\$2,240,000 more in 2017

Specialty Drugs

| Drug | Drug Use/Indication | Paid Increase |
|--------------|--|------------------|
| HUMIRA PEN | Arthritis & Crohn's Disease | \$250,209 |
| XYREM* | Loss of Muscle Control (also Narcolepsy) | \$150,199 |
| TECFIDERA | Multiple Sclerosis | \$113,074 |
| SPRYCEL* | Leukemia | \$ 94,800 |
| MEKINIST | Skin Cancer | \$ 86,349 |
| TOTAL | | \$694,631 |

*Earliest possibility for generic is 2023 and 2020

What WSU Pays

Fixed Costs

- Healthcare Reform Fees
- Administration Fees
- Stop Loss

Variable Costs

- Medical Claims
- Pharmacy Claims



Healthcare Plans Best Practices

| <u>Basics</u> | <u>Well-Being</u> | <u>Quality and Value</u> |
|---|--|---|
| <ul style="list-style-type: none">✓ Offer HDHP (CDHP)✓ HSA sponsor makes a contribution to employee's accounts✓ Transparency tool provided by specialty vendor• Mandatory generics or other RX strategies• Steer members to specialty pharmacy for specialty drugs• Collective purchasing of Rx benefits• Spousal surcharge | <ul style="list-style-type: none">• Company vision/mission statement supports a healthy workplace culture• Offer technology-based well-being resources✓ Use incentives for well-being programs• Spouses may participate in programs• Tobacco surcharge✓ Provide stress management or mindfulness programs• Integrate well-being incentive with health plan | <ul style="list-style-type: none">• Offer a Surgical Center of Excellence• Primary care on-site clinic• Telemedicine utilization of 5% or higher• Reference-based pricing• Narrow networks-pharmacy and medical |



As we enter strategic benefit planning, what feedback do you wish to provide?

As we focus on increased communication around healthcare costs, what advice do you have?