YSU Budget Advisory Council
Meeting minutes – February 20, 2020

Members in attendance: Dr. Gregg Sturrus, Elaine Jacobs, Lisa Mudryk, Mr. Eddie Howard, Dr. Mohan Eunni, Dr. Jeff Tyus, Carly Devenburgh, Dr. Tomi Ovaska, and Neal McNally.

Members absent: Dr. Charles Howell, Justin Shaughnessy, Caroline Smith, Dr. Brien Smith, Dr. Jeffrey Coldren, Dr. Mike Sherman, Dr. Sara Michaliszyn, Dr. Thomas Wakefield.

Guest: Dave Barchet, Senior Consultant at Findley, Inc.

1. The meeting convened 3:35 p.m. in the Stambaugh Room in Kilcawley Center. Dave Barchet from Findley, Inc., the University’s healthcare consultant, provided an overview of YSU’s employer-sponsored healthcare insurance plan. The presentation is available in its entirety online. Mr. Barchet stated that YSU’s gross healthcare expenses for the 12-month period through January 31, 2020, were approximately $17 million, a 9.22% increase above the prior one-year period. Mr. Barchet walked through the sophisticated process Findley uses to set annual plan funding rates, noting that YSU’s costs are projected to increase by between 8% and 10% next fiscal year. He also observed that YSU’s healthcare costs have risen even while YSU’s demographic population of covered individuals has remained relatively stable.

Dr. Eunni asked about YSU’s stop loss insurance. Mr. Barchet responded that this insurance protects the YSU health plan against large claims of over $225,000, essentially protecting against large unknown claims. YSU purchases this insurance annually, with the estimated premium being $1,266,000 for FY 2020. Despite the seemingly high price tag, Mr. Barchet presented data that demonstrates that YSU has in fact reduced net healthcare costs by having purchased stop loss insurance.

Describing how the annual expected claims liability is calculated, Mr. Barchet noted that the 3.75% inflator stipulated in YSU’s collective bargaining agreements is probably too conservative, and could be lowered, which would have the effect of lowering employee premium contributions. But this would need to be negotiated during collective bargaining. Mr. Barchet presented some comparative information from other state universities in Ohio, noting that YSU has a generous “Cadillac” plan; and that YSU and the University of Cincinnati have the lowest employee contribution rates—just 15%—while most other Ohio universities require employees to contribute comparatively more toward healthcare insurance, with employee contribution rates ranging from 17% to 20%.

There was also some discussion about how employee wellness programming can
help control healthcare costs. It was suggested that YSU’s wellness coordinator, Carrie Clyde, be invited to a future meeting to discuss YSU's wellness program and best practices in higher education.

Elaine Jacobs asked why Ohio’s state universities or public employers in general haven’t leveraged a statewide healthcare plan, as is the case with the state’s retirement systems, which presumably would have the effect of reducing costs for both public employees and public employers. Mr. Barchet responded that healthcare is typically a local commodity, with costs varying widely between different parts of the state. It was also noted that healthcare insurance is collectively bargained at YSU, as well as at many other public employers in Ohio, and that healthcare plans vary widely among employers, which makes it difficult to establish a uniform plan across the state or even regionally. It would require an act of state legislation to enable the creation of statewide healthcare plan for public employees.

2. Due to time constraints, the remaining items on the meeting agenda were tabled and the meeting adjourned at 5:00 p.m.