



November 16, 2011

PEIA Finance Board
601 57th Street, SE Suite 2
Charleston, WV 25304-2345

Dear Board Members:

The WV Advisory Council of Faculty was created under state code §18B-6-2, to represent more than 4,664 part-time and 4,161 full-time Higher Education Faculty in the state of West Virginia. We advise the legislature, the Higher Education Policy Commission and the Council for Community and Technical College Education, as well as report to our faculty senates and assemblies and local Boards of Governors. This letter represents the consensus of the Advisory Council of Faculty.

We have been following the process of the local PEIA hearings and discussing the details of the 2013 PEIA Plan Proposal. We understand the serious issue of the rising medical rate of inflation at 6.5% and the rising Rx rate of inflation at 10%. Plans to curb medical inflation should be a state and a national priority. Nonetheless, as we review your immediate proposal as to how to address these rising costs, we are unanimously opposed to placing the financial burden of inflation on the backs of state employees in the form of higher co-pays and fees for individual medical service. Likewise, we are opposed to the options you suggest to address the rising cost of drugs. Instead, we absolutely feel that all of the parties involved—retired and current employees, the State itself, and PEIA—must share in addressing the short-term issues of rising costs.

Therefore, we strongly urge the PEIA Finance Board to utilize some of the \$200 million reserve that ought be applied under these circumstances. We likewise advised the legislature on November 14, 2011 that they increase their contribution to PEIA this year, which by law will necessitate a rise in our own costs as employees, since we share costs approximately 80:20. The only fair solution is for all of the players to share the financial burden of medical cost inflation.

Thank you for your attention, for listening to, and for considering the input of Higher Education Faculty in the state of West Virginia.

Sincerely,

Dr. Erik Root, Chair
West Virginia Advisory Council of Faculty
<http://www.wvacf.org/wvacf/home.aspx>