

EVANSVILLE COMMUNITY SCHOOL DISTRICT

Insurance Committee Meeting Minutes of February 18, 2014

Opening: A regular meeting of the Insurance Committee was called to order at 5:30 p.m. on Tuesday, February 18, 2014, in the District Board and Training Center by Superintendent Jerry Roth.

Present: Jerry Roth, Kelly Mosher, Doreen Treuden, Kathi Swanson, Mason Braunschweig, Jolene Hammond, Bill Hartje, Ivy Otto, Greg Kuelz, and Deb Fritz (recorder).

Absent: Deb Arnold and Penny Messling.

Appoint Notetaker: No one volunteered to take notes; consequently, Deb Fritz volunteered so that Greg Kuelz did not have to talk and take notes simultaneously.

Approve January 14, 2014, Minutes: Doreen Treuden made a motion to approve the minutes, and Mason Braunschweig seconded the motion. Discussion: two corrections were made to the minutes. On page 1, cash & lieu was changed to cash *in lieu*. On page 3, under Potential Impact for the District, the spelling of the word, *relationship*, was corrected by adding the missing h. Motion carried 9-0 (voice vote).

Greg Kuelz used the January 14th minutes, along with the additions he made in red, to review and clarify some of the information he shared with the Committee via teleconference. Greg told the Committee that Plan Design changes may not be enough to offset the expected premium increase under number 4.

Greg emphasized that there is a proven relationship between wellness, absenteeism, and claims savings. Some districts charge a higher premium contribution for staff based on participation or wellness activities. For example, a district could write in a 9.6% contribution but raise it to a 12.6% contribution if the insured does not participate.

Draft HRA Fund Policy

- a. This is a relatively new phenomenon.
- b. If the District paid 100% of employee deductible, it would be \$486,000.
- c. If an insured has an annual physical or if he/she does not go to the doctor at all, there is no deductible, therefore there is no HRA cost.
- d. Greg has seen many HRAs that are funded at 50% by the District.
- e. A question was posed about how an HRA fund balance is built and whether there is a cap to the fund.
- f. Greg told the Committee that there was never an intention to use the HRA fund as a slush fund. The goal is to protect the District.
- g. The District budgeted 80%, or \$389,000, in this past year's HRA budget.
- h. It takes ECSD School Board action to set up a committed HRA fund balance or to not have it. (Doreen passed out a sheet with language explaining the committed HRA fund balance protocol.) We will be the first district that Greg is aware of that is considering policy language to regulate the HRA funds.

- i. The District needs to consult with legal counsel and the auditor. Greg offered AFG legal services too.
- j. Doreen asked for input from the group about the fund balance.
- k. There was consensus that the District needs explicit language for the excess in the HRA fund every year. If there is a year when the District runs short, it might take years to build back up.
- l. Greg thought that calculating this percentage year to year seemed more reasonable.
- m. The rest of the budget affects this, too; when the amount of HRA reimbursement goes down, the District exposure goes down.
- n. There was consensus with the Committee that next year, the District should go with 90% of projected usage for the policy language to commit fund balance, because the chance of going over would be remote.
- o. Doreen will write this up and send it to the Committee members prior to the April 8th meeting.

Discuss Retirees' Health Insurance

- a. On an average, older people use insurance more.
- b. The early retirees count against the District's claims experience.
- c. Both Dean and WEA offer Medicare coordinated plans.
- d. Some retirees may be eligible for a subsidy on the exchange.
- e. Doreen explained the new, proposed handbook language changes to Greg.
- f. Doreen said she thought there were less than 20 retirees on the plan at the present time, but she was going to check on the exact number. Below is the information that she emailed to the group on Thursday, February 20th:

The District is invoiced each month for 8 – family plans and 4 – single plans for retirees.

In addition, there is 1 - family plan and 3 – single plans that are “direct bill” meaning that the retirees are paying Dean direct.

- g. There are two methods of premium payment for retirees:
 - 1. Retiree premiums are paid monthly on the District invoice.
 - 2. Direct Bill (Plan allows retirees to stay on the plan; but they pay their premium directly to Dean.)
- h. Retirees can presently go off the District plan and come back on again (can do this one time).
- i. Greg told the group that even though the retirees are getting an insurance plan from their former employer, they can wave it and go to the exchange.
- j. It is not possible to predict what the retiree will pay on the exchange.
- k. The District of Tomah found it to be a disadvantage to offer insurance to employees working 30 hours or less.
- l. Regardless of the political climate over the next few years, Greg still feels that the exchanges will probably be there.

Discuss Wellness Program

- a. Wellness does not save premium dollars day one.
- b. Wellness positively affects absenteeism and claims cost.

- c. CESA 2 has a wellness mission statement that Greg will bring to the next meeting.
- d. Dean and AFG have wellness offerings, too.
- e. Greg's wife, Laura, is a health instructor, and she might be willing to come and talk to the Committee.
- f. The District needs someone to coordinate a wellness program who is a passionate expert and champion in order to get this off the ground. The District also needs to get the right wellness leader(s) to the right people. This expert/champion cannot be Jerry, Doreen, a union leader, etc., or the wellness program will probably not succeed.
- g. School nurses, physical education teachers, and food service employees often prove to be good wellness champions.
- h. A wellness program cannot be done part-way.
- i. The District could start by offering biometrics followed by a health risk assessment to ECSD. The school employees who want to do the right thing could be offered a "carrot" such as an extra personal day, a contribution to a scholarship fund, etc.

Next Meeting – Tuesday, April 8, at 5:30 p.m. (This meeting could go later than 7:00 p.m.)

- Determine other recommendations that will be presented to the School Board once the Insurance Committee has *reality* numbers (real data and numbers from this year).
- Combine these recommendations along with the HRA Fund management recommendation.
- Greg Kuelz will bring along Dean Decrement Chart and CESA 2 Wellness Mission Statement.

Adjourn: Doreen Treuden made a motion to adjourn the meeting, and Mason Braunschweig seconded the motion. Motion carried 9-0. The meeting adjourned at 7:10 p.m.

Submitted by Deb Fritz, K-2 Reading Specialist

Approved: 4/1/14