

EVANSVILLE COMMUNITY SCHOOL DISTRICT

Insurance Committee Minutes

The Insurance Committee meeting was held on Tuesday, March 24, 2015, at 4:30 pm in the District Board and Training Room.

Attendance

Members in attendance: Doreen Treuden, Deb Fritz, Greg Kuelz, Jolene Hammond, Kelly Mosher, Jerry Roth, Sandi Spanton Nelson. Absent: Kevin Wells and Tina Rossmiller.

Appoint Notetaker

Jolene Hammond volunteered to take the minutes.

Approve Minutes

Motion by Ms. Mosher, seconded by Mr. Roth, moved to approve the March 4, 2015, with a suggested change. Motion carried, voice vote.

Insurance Wellness Update

The representative from the Wellness Committee apologized, but she forgot about this meeting and was not in attendance. There are a lot of exciting things happening with the Committee according to the minutes that all had received and the emails staff are receiving. There are six fitness sessions for staff members that are organized for after Spring Break. Staff will also be able to participate in Wellness Bingo on a weekly basis after Spring Break.

Review Dean Health Plan and Dental Plan Renewals

Mr. Kuelz presented the Delta Dental suggested 0% rate increase for the 2015-2016 school year.

Mr. Kuelz presented the Dean Health plan suggested rate increase of 6.9% for the 2015-2016 school year. Our loss ratio from the previous plan year was 68%, and Dean merges two years of calculations in order to come up with the 6.9% renewal rate. The previous year we had a loss ratio of 147%. This 6.9% increase results in \$146,465 of additional cost to the District.

The Board of Education gave the directive in January, to the Insurance Committee, for a cost impact to the District of a zero percent increase. The Committee began looking at ways to alter the plan so that \$146,000 in savings could be realized: plan changes; changes to employee contributions; and cash-in-lieu.

There are currently 122 employees taking the family health insurance plan and 28 employees taking a single plan. The current annual employee premium contribution and out of pocket expense is \$2,261.

The first option presented was to add a \$20 co-pay to office and urgent care visits. Adding this co-pay to the current plan would save the District about \$44,000. It was also mentioned that if we added a \$30 office and urgent care visit co-pay, it would save the District about \$76,000. It

was decided that the \$20 co-pay seemed like a good starting point, but this means that the District still needs to find \$89,065 in other insurance savings for next year.

The discussion shifted to increasing employee contribution to premium for the health insurance. Our employees currently contribute 11.75% of the premium. Mr. Kuelz presented figures on what it would look like if employees contributed 15% toward the premium. This would mean that the employee contribution to premium would increase by \$627 next year along with the previously discussed office visit co-pay. With these two options, the District would still need to come up with about \$16,851 in savings elsewhere.

Ms. Treuden displayed a spreadsheet that showed the additional \$16,000 may be able to be found by adjusting the dental premium as well to a 15% contribution. The dental premium contribution is currently at 11.75%.

Ms. Fritz suggested that we may want to look at cash-in-lieu as another way to meet some of the overage in insurance cost for next year. We currently have 72 people who receive \$4,314 annually for not taking the District insurance. If cash-in-lieu was adjusted to \$4,000 for next year, the District would see \$22,608 in savings.

This \$22,608 in savings would then allow the employee contribution to premium to only be 14% rather than the 15% that was proposed earlier in the meeting. Many members of the group agreed that 14% seemed like a much better number to transition to from the 11.75% employees are currently paying. It was also mentioned that the reduction in cash in lieu along with the increase in premium and co-pays means that all employees are sharing some of the burden for the cost increase.

If the employee contribution to premium for health insurance is 14%, employees will pay an additional \$509 annually. The monthly premium for a family will be \$197.54. If the employee contribution to premium for dental insurance is 14%, employees will pay an additional \$45 annually. The monthly dental premium for a family will be \$23.32.

It was decided that if we reduced the cash-in-lieu to \$4,000, added the \$20 office visit co-pay, and changed the employee contribution to 14%, the District would be within \$8,000 of a zero percent increase in health insurance costs for next year.

Make Recommendations to the Board of Education

The following recommendation was made by Ms. Fritz and seconded by Mr. Roth. The recommendation was approved with a 6-0 voice vote. The Board of Education will meet on March 25, 2015, to discuss the recommendation that was made by this Committee and will vote on this recommendation at their April 8 meeting.

- Employee health insurance contribution to premium increases from 11.75% to 14%.
 - The estimated employee premium contribution for family will increase from \$155.09 per month to \$197.54 per month (\$509.35 per year) and employee premium contribution for single will increase from \$66.00 per month to \$84.06 per month (\$216.72 per year).
- Dean plan design change to add an office visit co-pay of \$20 per office visit.

- Employee dental insurance contribution to premium increases from 11.75% to 14%.
 - Employee premium contributions for family will increase from \$19.57 per month to \$23.32 per month (\$45.00 per year) and employee premium contribution for single will increase from \$7.57 per month to \$9.02 per month (\$17.40 per year).
- The cash-in-lieu payment to employees waiving health insurance will decrease from \$4,314 to \$4,000 per year.

Next Meeting Date

It was decided that the group would not meet again until after the Board of Education makes a decision about the recommendation.

Next Meeting Agenda

Ms. Treuden would like to look at HSAs at a future meeting. Ms. Hammond suggested that Mr. Kuelz talk with all staff, during professional development time, about the Cadillac Tax and where health insurance is headed in the future so that staff are aware about why some of these decisions are being made. The Committee would like an update from the Wellness Committee at the next meeting.

Adjourn

Motion by Ms. Treuden, seconded by Ms. Mosher, moved to adjourn the meeting. Motion carried, voice vote. Meeting adjourned at 5:35 pm.

Minutes respectfully submitted by Jolene Hammond

Approved: 10/22/15