

Evansville Community School District
Insurance Committee Meeting Minutes
Thursday, September 21, 2017
3:30 p.m.

Present: Dee Jay Redders, Corine Schieldt, Annie Hovorka, Deb Fritz, Rin Kundert, Cheryl Thomas, Chris Schullo, Jerry Roth, Steve Swanson, Greg Kuelz, and Nicole Ritter.

Absent: Caroline Mills.

1. Appoint note taker.
 - a. Chris Schullo.
2. Reviewed minutes from 4-19-17.
 - a. Move to approve by Chris, 2nd by Cheryl – minutes approved.
3. Discussed Greg, Jerry, and Steve meeting last week.
4. Greg reviewed the process.
 - a. Our role is to make a recommendation to the Board.
 - b. In the past, the Board has always accepted and approved the Committee's recommendation.
5. Greg explained HSA vs. HRA to new members.
 - a. Talked about what other districts nearby are doing.
6. Corine asked "How has HRA worked for us in the past?"
 - a. Greg – on average, ~80% of employees with district insurance use the HRA.
 - b. Dee Jay asked to see HRA total costs in past years.
 - c. Greg's partner, Nikki, said 72% of the HRA dollars were used in 2016-17. Jerry believes the left over money stays in the general fund balance.
7. Greg explained the purpose of an HSA.
 - a. Explained that children of insured employees who are not listed as dependents who are not yet 26 can apply their medical expenses to the \$6,000 family deductible.
 - b. After the \$6,000 deductible is met, insurance will cover their medical expenses (assuming they are expenses that the insurance plan covers).
 - c. If you use money from your HSA account to pay for their medical costs, you will have to pay taxes on the money and a 20% early withdrawal fee if the child is under 65. ("Again, this may change but this is how the law is today.")
8. Greg explained the advantages of having an HSA.
 - a. It is easier for district budgeting.
 - b. It encourages "smarter" medical decisions.
 - c. It is better to put money into an HSA instead of an IRA because the money is pre-tax.

9. Corine asked for a specific example with real numbers.
 - a. Greg expects to have the hard numbers within a week (by 9-29-17 ??).
 - b. Greg, Jerry, and Steve have assumed the District would contribute \$1,500/\$3,000 to employees' HSA accounts.
 - c. Question: How would this be calculated/determined by the District?

10. Greg said the "primary difference" with an HSA is that prescription costs contribute to the deductible.
 - a. Currently prescription co-pays come out of employees' pockets.
 - b. Drugs are still the same (reduced) price because the High Deductible Insurance is through Dean. Employees would not pay retail costs for prescription medications.

11. Greg explained the "embedded deductible" whereby the \$3,000/\$6,000 deductible has a different structure than the current \$2,000/\$4,000 deductible.

12. Dee Jay wants hard numbers. We can't have a meaningful conversation with "wishy-washy numbers." He wants a historical perspective of District expenditures on health benefits.

13. Corine discussed starting an HSA in January vs. July.
 - a. Staff members have voiced concern about paying two deductibles in the 2017-18 school year.
 - b. Concerns were raised about a teacher retiring in June not getting their full insurance benefit (only getting ½ a year).
 - c. The District budget runs from July 1 to June 30. Does it make sense to run the health benefit on the same schedule?
 - d. Greg will give specifics on different scenarios at our next meeting.

14. Discussed the HSA relationship to/with Medicare.

15. Next meeting date set for Monday, October 2 at 4:15 pm in the District Board Room.

16. Move to adjourn by Cheryl. 2nd by Chris – meeting adjourned 5:00 p.m.

Respectfully submitted by Chris Schullo (9-26-17)

Approved: 10/2/17