

EVANSVILLE COMMUNITY SCHOOL DISTRICT

**Insurance Committee Meeting
October 25, 2012, 5 p.m.
District Board and Training Center**

Minutes

Present: Jerry Roth, Kelly Mosher, Linda Gard, Tom Calley, Doreen Treuden, Ivy Otto, Jolene Hammond, Lou Havlik, Bill Hartje, Sue Parsons, Liz Uher, Tina Rossmiller, Greg Wallisch, Tammy Heissner, Nancy Hurley, Vicki Lecy–Luebke, Heather Hanson (recorder)

Absent: Catherine Schuett, Ken Johnson, Vicki Zhe

Our Current Plans: Led by Al Jaeger

- Doreen will send us 2 documents regarding terminology and HSA/HFA.
- Discussion of your current benefits:

Positives	Negatives	Suggestions
*No copays yet – not afraid to use coverage, be proactive *Dean coverage *Dean’s WIN program *Chronic/comprehensive covered for specialists *Flex spending accounts *Delta Dental – no copays or deductibles – great online portal for district management (immediate changes) *HRA for retirees – flexible and works well *Local Dean Clinic in Evansville	*Initial deductible of \$400 can be a big hit all at once *Rx copays are large for some drugs *Dean’s online portal for district management– not user friendly, ineffective, 5 day turn around, mistake ridden, requires follow-up	*Educate people with updates to WIN program or other plan benefits *Sensitivity and understanding on any wellness initiatives *Hardware (vision - glasses) *Self-funded options? *GHC (non-profit)? *Rx education – 3 month supply sometimes costs only 2 copays

- Our current Dean plan has a \$200/\$400 deductible, 100% coinsurance after deductible, \$200/\$400 out-of-pocket max, \$75 ER copay, \$10/\$20/\$30 Rx copays.
- Al Jaeger presented comparables of our current Dean plan with other districts from Dane County and the Green County Area. Our current costs are \$644.79/individual plan and \$1,515.26/family plan. The premiums in the Green County Area range from \$1,362 - \$1,735 for family plans, so we are near the middle of this range. The premiums in Dane County range from \$1,087 - \$1,614 for family plans, so we are near the top end of this range.
- Middleton School District had the lowest premium due in part to offering two insurance plans. Mr. Jaeger asked if it might make sense for us to try adding another insurance company. Competition between plans can help lower premium costs.
- Our usage of our health insurance from last year was 101.4% not including administrative costs. We are a high use district.

Approaches: Led by Al Jaeger, Benefits Consultant, Associated Financial Group

- Things to keep in mind:

- HMOs – owned by doctors – charge themselves less than the fee for service providers
 - Dean owned by Dean Clinics.
 - Unity owned by UW Medical Foundation and UW Hospital, includes Mercy in-network.
 - Physician’s Plus owned by Meriter.
 - GHC uses own doctors for office visits, but refers to outside specialists.
- Fee for service providers – collect more in premiums because they pay out more per individual claim
 - WPS
 - WEA
 - Blue Cross Blue Shield
- We (Dean HMO plan) are still trending about 15%-20% less in premiums than fee for service providers.
- Average premium increases of 7%-9% each year.
- Premiums only go down because of a decrease in claims or because less is paid out for each claim.
- Dual Choice Scenario (Middleton Model)– two companies both vying for employees to join, provides cost savings.
- High Deductible with Health Reimbursement Account (Parkview Model) – \$1000/\$2000 deductible, premium costs decrease by more than the increase in the deductible, put aside the amount of the deductibles in an HRA through which employees are reimbursed, a third party administers the HRA money, districts can decide how to use any leftover HRA money, how a high deductible paired with an HRA works:
 1. You visit the doctor.
 2. Explanation of Benefits is sent to you and to the third party administering the HRA.
 3. The third party sends you a check from the HRA to cover the deductible bill.
 4. You receive a bill from the doctor’s office.
 5. You pay the bill using the HRA money.

*Al Jaeger said he believes that the reimbursement from the HRA should always arrive before the bill from the clinic.

*Some districts use the leftover HRA money to offset increased premium costs in the future, while some districts allow their employees to roll the money over for future years.
- We will ask Dean for new reports from July through December based on our new plan design changes that took effect July 1st. Is the new plan being used as much as the old plan?
- Ask Dean to be very aggressive in their premium bid if they want our membership. We could also ask this of Unity and Mercy.

Next Meeting: November 15 at 5:00 p.m.

November 15 Agenda:

- Summary of dental – benefits, cost/loss ratio
- HRA, HSA, and FSA

Meeting adjourned at 6:32 p.m.

Heather Hanson, Minute Taker