

EVANSVILLE COMMUNITY SCHOOL DISTRICT

Insurance Committee Meeting Minutes Monday, March 18, 2013

Committee Members Present : Jerry Roth, Doreen Treuden, Bill Hartje, Ivy Otto, Sue Parsons, Kelly Mosher, Jolene Hammond, Lou Havlik, Linda Gard, Heather Hanson, and Nancy Hurley. Others: Kathy Swanson.

I. Review Apples to Apples Comparison.

- Al passed out the Dean Explanation of Renewal Increase. Dean calculated an 18.1% increase, but they will accept a 10.9% increase. The 10.9% increase shows that Dean will accept less in premiums this year than they paid out in our claims this year (at least on paper).
- Unity and Physician's Plus declined to issue a quote because of our high use.
- Mercy provided quotes for a Dual Carrier option and Total Takeover. The Dual Carrier option through Mercy is about \$200 less per family plan per month.
- We were concerned that Mercy's price would increase dramatically the following year after they got to know us. Al said that if we opted for Mercy he would request a cap on the rate increase for the next 3 years.

II. Review Alternates That Make Sense.

- Al presented 4 main options for the committee to consider:
Option 1: Keep Dean - Stick with Dean and make plan design changes (deductible, copay, etc.) to offset the almost 11% premium increase. When we needed to offset this year's 6% increase, we went to a \$200/\$400 deductible and increased prescription drug co-pays. In order to offset the 11% increase, we are probably looking at changing to all of the following: \$500/\$1000 deductible, \$15 or \$20 office visit co-pay, \$100 ER co-pay, and a \$10/30/50 drug card.

Option 2: Dual Carrier - Offer Dean and Mercy for employees to choose from using the same plan design as this year. The District would cover a percentage of the lowest premium and employees would be responsible for the difference. If the District were to pay 92% of the lowest premium, it means that people who choose Mercy would pay \$118.44/month for a family plan and people who choose Dean would pay \$318.42/month for a family plan. (Based on 12 months of deductions, not 10 months.)

Option 3: Total Mercy Takeover - Mercy becomes our only insurance provider with the current plan design.

Option 4: High Deductible with HAS/HRA - Moving to a high deductible with a health savings or reimbursement account can save a large percentage of the premium costs. The District would use that savings to set aside the deductible amount for each employee. This money would be administered by the District or a 3rd party to cover part or all of the employees' deductible costs.

III. Set Next Meeting Date.

- April 15th - After the Board has given us a target number to work with from the April 8th Board meeting. We will have to decide on a recommendation to the Board so that it can be presented to the Board at the April 29th Board meeting.

IV. Adjourned at 6:42 pm.