



## **Self-Funded Health Insurance Meeting Minutes**

### **Monday, June 25, 2018; 9:00 a.m.**

### **Central Administration Office**

**Present:** Mrs. Kelly Gates, Mr. Randall Johnson, Mr. Kent Anderson, Mr. Scott Schmidt, Mr. Jim Steckler, Mr. David Wilkie, Mrs. Meghan Ziegs and Ms. Cyndee Egeness.

**Absent:** Mrs. Kimberly Schwartz and Mrs. Naomi Obrigewitch

**Additions/Deletions to Agenda Items** – There were no additions or deletions to the agenda.

Mr. Kent Anderson reviewed the self-funded health insurance fund balance which showed a \$1,367,598 balance as of May 2018. The balance is ending at a very strong position as it will continue to increase at the end of June with the final paycheck contributions. Claims have been lower this year since January 2018. It is not uncommon to see decreases and increases through the months in regards to claims. Historically, we should see fewer claims over time due to the influx of younger staff and their families. It is recommended that a business should have three months of claims in reserves which would be approximately \$1.2 million. Dickinson Public Schools is currently in good standing for the recommended reserve fund.

Mr. Anderson explained that in 2009, the self-funded health insurance committee requested a \$300,000 temporary transfer from the general fund to cover an extremely low liability. He would like to budget the \$300,000 back from the liability account to the general fund since the self-funded account is at a positive financial standing. The consensus of the committee is to pay back the \$300,000 from the liability to the general fund with the upcoming 2018-2019 budget.

Mrs. Gates explained that the health insurance costs \$773 per employee per month for the 2017-2018 plan year. Dickinson Public Schools collected \$1,173 per employee per month for this plan year. The district is spending less than one year ago. There will be periods in which expenses will be higher than what companies collect, but at this time, the district has seen positive movement with the health insurance expenses.

Mrs. Gates informed the committee that Hays Companies sent out claims files to various carriers to request their re-pricing analysis reports. These health insurance companies included Aetna, Blue Cross Blue Shield of North Dakota, Cigna, Health Partners, Medica and Sanford. Blue Cross Blue Shield of North Dakota had the best discount over all other companies. Blue Cross Blue Shield of North Dakota is very competitive, they continue to give our members good discounts and have been very transparent and forthcoming.

Mrs. Gates suggested no large overall increase to the district for the 2018-2019 health insurance rates. This is not taking into consideration any change in our insurance plans, other fees, etc. Mr. Anderson stated that last year's increase and the decrease in spending has been extremely beneficial to our district. Mr. Steckler reminded the committee that the district needs to be prepared for the possibility of a few rough years in the future.

Mrs. Gates discussed the current 2017-2018 rates which listed a family rate at \$1,611.00, a single plus spouse rate at \$1,343.00, a single plus dependent rate at \$1,182.00 and a single rate at \$537.00. If the district fully aligns the four tiers as planned upon over the last year, the health insurance rates would

follow as: family rate at \$1,674.00, single plus spouse rate at \$1,268.00, single plus dependent rate at \$1,116.00 and a single rate at \$507.00 per month.

Mr. Anderson agreed that these numbers look good for the district. Mr. Schmidt would like to see the family premiums remain the same. Mr. Johnson explained that the district and Hays would have to look at all factors coming into play.

Mr. Steckler announced that future discussions of a possible health saving account (HSA) would need to be discussed with negotiations for the upcoming 2019-2020 plan year. Mrs. Gates touched on examples of an HSA with a maximum deductible, with wellness covered at 100%. There would be deductibles first with a high co-insurance. HSAs are a pretax benefit and it would replace the district's current flexible medical benefit option. The trend is that more companies are offering this benefit option. There will be a lot of additional information that will need to be discussed as the committee explores this possible option. Mr. Anderson stated that other schools have this high deductible health saving plan benefit and that this is an option to look at for the future. Other committee members agreed that they would need more information brought to the committee, such as data including feedback from other school districts and employees utilizing this benefit. The committee agreed that the committee needs to be educated about HSAs as well as some representatives from the negotiations team prior to a final decision being made. The Hays company will bring additional information to the next health insurance committee.

Mr. Johnson informed the committee that the Hays Company uses multiple wellness vendors. There are technology components such as mobile apps, nutrition experts, etc. Other areas include program management, baseline biometrics, health goals, physical and mental discussion and many other resources. The Hays Company would bring in the chosen company to the district. Hays would come in to demonstrate and educate. People would become more aware of their options, they may earn gift cards, earn money to use towards an HSA if available, etc. Approximately 60-70 percent of employers offer a wellness program. Dickinson Public Schools would cover the expenses of the wellness program, as there would be no cost to the employees. The chosen wellness company would assist with the communication to send out to employees. Employees and their families need guidance and accountability and the availability of coaching will be provided. Having a wellness program in place improves health and mental awareness which impacts insurance claims over time. The average savings for staff who utilize a wellness program saves the district 2-3 percent over time. A wellness program builds community within the school district, either school wide or district wide.

The committee agrees that Dickinson Public Schools should offer the wellness program with incentives. The Hays Company recommends Virtually Well – Wellright Platform because of their program management. Wellright would coordinate the biometric testing for adults, both employee and spouses. The fees for the wellness program would save the district money overall on preventative spending.

The committee will request the approval of option one health insurance rates for the district's 2018-2019 health insurance plan.

**Adjournment** – The meeting adjourned at 11:00 a.m.

The next meeting will be scheduled mid to late fall 2018, to be determined.