

Dickinson Public Schools – Self-Funded Insurance Committee Meeting

September 23rd, 2021, 6:30am

A meeting of the Self-Funded Insurance Committee was held on September 23, 2021 at 6:30am in the Central Office Board Room

In Attendance: Scott Schmidt, Jay Schobinger, Keith Harris, Marcus Lewton, Kim Schwartz (via phone), Naomi Obrigewitch, Stephanie Hunter, Jeanette Wyckoff, Meghan Ziegs, David Wilkie and Hays Corporation Randy Johnson (via phone) and Kristen Akers (via phone)

Meeting convened at 6:33am

Dr. Lewton opened up the meeting and welcomed all committee members.

Insurance Renewal

Dr. Lewton asked if all members had a chance to review the previous report that Hays sent out on Monday and if anyone had any questions. He also asked if anyone had anything to add to the agenda for the meeting. There were no additions. Dr. Lewton brought up the .4% increase that was discussed at the previous meeting on Monday with Hays. He asked if anyone had any questions. Mr. Harris asked the committee to consider rounding up from that .4% instead of rounding down or a 0% increase. He stated that after coming out of a year dealing with COVID and the questions of what the future brings with that, he feels that maybe this would be the time to think about a rounding up from that .4% number to possibility a 1 – 3% increase. It was discovered by the Business Office that the DPS Health Fund had more money than expected. It appears that was happening due to most of our part-time employees paying more than 20% (their part of the insurance benefit) and the district was still contributing 80% into the fund. Therefore, on some of the employees the insurance was being overpaid into the fund. Now that DPS is aware, we will fix the general fund but the insurance fund will no longer be the beneficiary of that practice. He asked that the committee consider a moderate adjustment knowing that we are going to fix the discrepancies. Maybe 3% with the addition of readdressing this next year to see if maybe the increase was not needed. Mrs. Obrigewitch asked if it would be more beneficial to leave the fund alone for right now since the discrepancies have been found and see where we are at in a year? Mr. Harris stated that he would rather ask for a smaller amount this year rather than a bigger amount next year and feels it would be easier on our employees. There was discussion regarding the percentage that committee is willing to increase by. Dr. Lewton suggested that if the fund is flush and doing well by the end of the plan year December 2022, the decision could be made to not charge a premium for that month.

Motion made by Mr. Wilkie to increase the insurance plan rate to 2%.

Motion was seconded by Mrs. Schwartz

Motion carried in favor of the 2% increase to insurance plan rates

Premium Breakdown for Mid-Year change

Mrs. Hunter explained that because we are now switching from a school year schedule to a calendar year schedule, the Payroll Dept is asking for direction on how our part time employees (9-month, 10-month) will be paying for their insurance coverage over the upcoming summer months. There was discussion and some concern about employees only having a 5 month time frame to pay for coverage leading up to their summer months and how hard that would be for them. There was also discussion and concern about what if employee does not decide to come back to work after summer months

before their coverage has been paid. Mrs. Obrigewitch noted to committee that in the past, DPS has always had this similar situation and it really was not a problem. It was mentioned that it would be best for the district as well as the employees if the committee made the decision to keep things simple rather than complicating it and creating a distrust with the system. The committee agreed that the goal is for our employees to have confidence in the system. Dr. Lewton asked if anyone had any concerns about keeping the premiums coming out over 18 pay checks as what is currently practiced. No one had any concerns. Mrs. Obrigewitch did comment that we just need to keep in mind that this is just a different mindset. Our insurance coverage now runs Jan – Dec instead of the Oct – Sept. **Because there is no formal written policy about how premiums are to be taken out of paychecks, this is a recommendation from the committee to continue with taking insurance premiums out of an 18 pay check cycle with part-time (9-month, 10-month) employees.** Mr. Schobinger asked that the committee communicate this information with the DPS community as soon as possible as both he and Mr. Schmidt have been receiving numerous emails and phone calls about what is happening with the insurance. Dr. Lewton will send out a communication to the DPS community on Monday, September 27th, 2021.

On Time Funding vs. Advanced Funding for Premium Payments

Mrs. Hunter explained that DPS has until December to decide if we would like all employees to pay their premiums one month ahead (advanced funding) or pay premium for the current month (on-time funding). i.e. If employee were to quit in January (with on-time funding) their insurance would only go through January. If employee quits in January (with advance funding) then insurance would continue through February. The question was asked why the committee would originally suggest to go with advanced-funding. It was thought that maybe it had to do with being self-funded and wanting some cushion. Mrs. Ziegs asked how on time and advanced funding would affect Certified and Classified retirees. For Certified, they would have the option of paying their insurance through the end of September (on time or advanced) with their checks that are issued at the end of June. Classified staff would be determined by what the committee decides. Mrs. Wyckoff feels that the advanced funding for the Classified staff is very helpful and a nice benefit. Also feels that it would provide comfort knowing that they have an additional month of paid insurance. The district currently does advanced funding. **Because there is no formal written policy about how premiums are to be taken out of paychecks, this is a recommendation from the committee to continue with advanced funding for the district.**

Fluctuation in Premium Costs for the Upcoming Year

Mrs. Hunter explained to committee that most of the employees will see a small fluctuation amount in their premiums on their paystubs. The Certified staff already had their premiums taken out on their September 20th stub with a note explaining the fluctuation. Classified staff will see their premium fluctuations on the September 30th paystub, also with a note of explanation. The Payroll Dept is reconciling and cleaning up premiums for all employees and regular premium rates will resume in December for the upcoming year.

7:05am adjourned.

Minutes Submitted – Donna Magnuson