

Dickinson Public Schools Health Insurance Committee

Minutes from meeting:

At Central Admin. Office Thursday June 20th, 10am.

Present: Shon Hocker, Keith Harris, Kim Schwartz, Naomi Obrigewitch, Alicia Rehbein, Jeanette Wyckoff, Meghan Ziegs, and Kent Anderson, along with Kelly Gates and Randy Johnson from Hays Corporation.

*Jay Schobinger, David Wilkie, Scott Schmidt, and Jim Steckler were absent.

Meeting started at 10:05am, opened by Dr. Shon Hocker.

Kelly from Hays began their presentation with the overall comparison of numbers and what we are expecting for an increase if we leave things as is. Our health insurance is likely needing to take a 16% increase for this year unless we make some changes. They suggested at the very minimum increasing our stop loss to 125K.

Keith: Why does the 100-125K seem to provide more of a savings than the 125-150K on the stop loss? Shouldn't there be a more similar savings going from the 125-150K?

Randy/Hays: because you are taking a little more risk switching it to the 150K, it kind of offsets some of the savings.

Kent: So basically the 125K stop loss with a 12% increase to our premiums would be recommended?

Randy/Hays: Yes. Then once we have enough people in the high deductible pool, we can shop the stop loss market again and check for more competitive administration costs.

Hays then went on to discuss options for our current PPO plan. They mentioned that one small option would be to switch our plan to a 1,000 individual/2,000 family deductible.

Kent: What would you suggest for keeping our increase on the lower end, but still properly funding and keeping our plan as similar as possible?

Hays responded by saying they would change our out of pocket max (being only about 10% of people are hitting their out of pocket max even at the 2,000/4,000 level we currently have) and/or changing our coinsurance. They said 80/20 is a very rich benefit.

Kelly from Hays then went over the high deductible numbers and said they would recommend us going with at least a \$1,350 deductible. They would also encourage us to add a gap coverage option to help people cover their high deductible.

Naomi: If you do the gap coverage, how long do you have to commit to it?

Hays: 1 year. You would be locked in until open enrollment again, just like any other health plan.

We then had a discussion about the fact that the fees having Discovery be our provider for the HSA were significantly less than having Horace Mann handle it.

Kent: Could we ignore your increase recommendations and just take a 5-7% increase based on claims?

Randy/Hays: You could, but it wouldn't a good idea because you are just basing your increase off of claim trends then and not factoring in your fixed fees.

Kent: When do we need to decide by?

Hays: We usually do open enrollment in August, so you would want to know by July, so the HR team has time to educate everybody on it before the enrollment process begins.

Shon: We have a board meeting July 9th, so we should really try to be ready by then so we can present it to the board. Also, just to reiterate, I think that the district doing a contribution of the difference in premium cost is going to be key for people wanting to go the high deductible plan route.

Kent: I think the proposal I plan to bring to the board is doing the 12% increase with a savings of 2% from increasing our out of pocket max to 4,000/8,000 for a final increase to the district of 10%. Plan for sticking with the \$1,350 deductible recommendation on the HD plan. Doing a voluntary gap plan for those that want it, and having our coinsurance at 90/10, with Discovery as our provider for the HSA accounts.

Meghan: Are we going with two different vendors then on our Flex vs. HSA?

Hays: you guys can decide that.

Kent: We don't necessarily need to offer Flex anymore right? You can't have both a Flex account and an HSA anyway. Well you can, but it's limited.

Keith: If you do the gap option, is there any reason to still do Flex?

Hays: Yes, you could still use it for some of your dental, vision, etc.

Shon: But we will be offering a dental and vision plan now anyway.

Conversation went back to the Flex and HSA options.

Kim Schwartz: If the group wants to make a decision on having one vendor vs. two, I don't think that would need to be brought to the board. I believe that decision can be made internally.

Jeanette: I think we need to simplify. Flex is a headache and having so many options is kind of a nightmare as well.

Group all agreed.

Kelly: So final decision, are we using Discovery as our vendor for both?

Group: Yes

Hays discussed getting some materials ready for us, with video links that explain claims scenarios, benefits to having an HSA, etc. so we can get them to our new employees during the first week of August when they do their main onboarding session with DPS.

MEETING END: 11:17am