

Health Insurance Committee Meeting

Meeting Minutes

Central Administration Office

January 5, 2017

Present: Douglas Sullivan, Vince Reep, Scott Schmidt, Jim Steckler, Kim Schwartz, David Wilkie, Naomi Obrigewitch, Laurie Olson and Cyndee Egeness
Absent: All members were present

Meeting came to order at 3:45 p.m.

I. Status Review

Dickinson Public Schools currently has a liability account of approximately \$296,000.00.

II. High Claims and Usage

Mr. Reep reviewed the Dickinson Public Schools health insurance high dollar claims as well as other health insurance information on our district. The district receives health insurance claim bills directly from Blue Cross Blue Shield of North Dakota on a weekly basis. The past five weeks (end of November through end of December) have totaled approximately \$622,625.00 in claims. The monthly average amount in claims is approximately \$288,000.00 per month. When comparing medical costs, 13% of our covered members drive 80% of the medical costs under our plan.

A self-funded health care plan should have three to four months' worth of reserve in the plan. The plan should have an \$850,000 to one million dollar balance in reserves. The plan currently has a \$126,000.00 balance in reserves. Currently, some comparable school districts in North Dakota have \$4.5 to \$9 million in their plan reserves.

III. Hays Insurance Benefit Consultant

While at a recent business manager's meeting, Mr. Reep determined that Dickinson Public Schools is the only school district in North Dakota that does not utilize a health insurance benefit consultant, when comparing to other similarly sized districts. Ms. Egeness contacted two of the benefit consultants and Hays of Utah Insurance Services was the first to respond and set up an initial presentation in person with Dr. Sullivan, Mr. Reep and Ms. Egeness on December 13, 2016.

Hays Services is a benefits consultant. They negotiate with other insurance companies and find ways to reduce claims, fees, reinsurance and stop-loss payments. Jamestown and Grand Forks Public School District are currently utilizing Hays Services. One of the districts saw a return within the first two months of utilizing the service. Hays Services fees will cost \$12.00 per insured policyholder per month. Our current number of policies is at 319 members. The current fee would be approximately \$46,000.00 for their consultant fees.

When reviewing some of the information from the Hays Services with the committee, many of the members agreed that the district would need to look at other options for the future of the health insurance needs. With the size of our district and the state of our health insurance reserve, the district will need additional assistance and knowledge from an outside source. The district will need assistance with planning for the future in regards to

premiums, reserves and coverage. Hays Services would also be the district's education base and assist with educating our staff on options such as having multiple plans, tiers, health savings accounts, wellness, etc. Several committee members were in approval to utilize a benefit consultant. A few members asked to obtain more information in regards to what Hays can do for Dickinson Public Schools prior to approving the use of the consultant. They would like to see more information when comparing other Hays clients.

Dr. Sullivan has had experience with a previous school district utilizing an insurance benefit consultant and had seen positive results. He will check to see if there is a school board policy in regards to approving the utilization of a benefit consultant.

IV. Self-Funded Liability Account Shortfall

Mr. Reep stated that the committee would need to find options, as we need to build our health insurance reserve fund. There was discussion in regards to the school board lending the self-funded health insurance \$300,000 years ago. The plan has not been able to repay this amount at this time, as the reserve has been extremely low.

Next meeting: The next meeting will be in conjunction with Hays of Utah Insurance Services representatives in February 2017 or as soon as possible for a presentation to all self-funded health insurance committee members.

Meeting adjourned at 4:48 p.m.