

Health Insurance Committee Meeting

Meeting Minutes

Central Administration Office

January 25, 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 10:00 a.m.

I. Hays Insurance Benefit Consultant

Mr. Reep introduced the health insurance committee members to Mr. Randall Johnson and Mrs. Kelly Gates of Hays Companies. Mr. Reep explained the health insurance recommendations and school board approval process. The committee had asked to meet for a face-to-face meeting with Hays Companies to discuss fees and areas where the company would be able to help us, as well as how they have helped other comparable school districts and companies. Dickinson Public Schools has had high recommendations from other North Dakota school districts that are currently utilizing Hays Companies.

Mr. Johnson explained that Hays Companies is Minneapolis based. They have thirty-five national offices and are the second largest benefit firm in North Dakota that help public and private companies, including many school districts. They have just under 5,000 national employer accounts. The companies range from 100 – 1,000 employees per company. Eighty percent of their business clients are self-funded. Self-funding is great, but they will need to look closely at the stop loss rates and make sure they are in the correct range. Hays Companies determines strategies and options. They became Grand Forks Public Schools' benefits consultant four years ago. They were able to save their district \$300,000 and lower their fee increases from 10-20% to 5-6% per year. Other benefits that can be reviewed include, but are not limited to life insurance, employee assistance program, flexible benefits, etc.

Hays Companies wants to make sure that their companies do not take on more risk for school districts. They will work to find the best benefits, rates and fees and compare the value versus the price. They work with employees to assist with wellness. Fifty percent of claims are behavior related or chronic diseases or illnesses such as hypertension, diabetes, depression, etc. Hays gives ideas for wellness, such as utilizing vendors for health screenings, technology, devices. They make it inviting to staff and can offer incentives. Currently our adult wellness benefit is not highly utilized.

Mr. Steckler asked if there was a way to compare hospital costs such as a Dickinson hospital and a hospital in Bismarck. Hays Companies could check into price break incentives. They explained that there is a price transparency phone app that can give cost comparisons for specific procedures at different hospitals. This provides price and quality comparisons of the procedures.

When looking at our current Blue Cross Blue Shield of North Dakota health insurance plan, our preventative benefit use is good. Employees receive a 36% average in network discount. Our current plan is more generous in regards to other state/national plans. When looking at total cost for medical, prescription and administrative fees, Dickinson is very

close to the average national benchmark per employee per year. The health plan total cost was \$4M in 2014-2015 and \$4.3M in 2015-2016. Thirteen percent of our covered members drive 80% of our medical costs. Our employees' utilization of our health insurance plan is average to high. The employer contributions are average compared to other companies nationally.

Another option the committee may look at is the health plan tiers. Currently we offer single or family plans. This plan has been set at two tiers since the self-funded plan started in 2003. There may be additional tiers added in the future such as single plus dependent or single plus spouse.

Mr. Schmidt asked where Hays Companies would begin with addressing our concerns. Hays Companies will begin by reviewing everything. They can bid out different components such as stop-loss, design, contribution, network, etc. There are several components that can be adjusted occur over time.

The 2017-2018 budget will be ready in June/July. This is when the committee will need to look at the suggested funding levels and make important decisions.

II. Conclusion

The committee members stated that they were impressed with the presentation and that the Hays Companies experience and knowledge would benefit our district. Hays will be able to show what our district is doing correctly and where changes need to be made. Mrs. Schwartz and Mr. Wilke will be able to take this information to the other school board members to inform them of the information that was presented.

The consensus was that the committee supports the utilization of the benefit consultant. The committee will move forward to start the partnership with Hays Companies to benefit our district.

Meeting adjourned at 1:00 p.m.