

GERMANTOWN SCHOOL DISTRICT

Notice of Insurance Committee Meeting

April 23, 2018

5:15 P.M.

Germantown School District Administration Building

N104 W13840 Donges Bay Rd.

Germantown, WI 53022

AGENDA

- I. Meeting Called to Order
- II. Roll Call
- III. Agenda Revisions and Approval
- IV. Approve Minutes
 - A. January 8, 2018 Meeting Date
- V. Reports
 - A. Employee Wellness
 - B. Summer 2018 Strategic Planning Meeting
- VI. Unfinished Business – Discussion with Appropriate Action
 - None
- VII. New Business – Discussion with Appropriate Action
 - A. 2019 Employee Benefits Renewals
- VIII. Adjourn

Note: School Board members who are not members of the Insurance Committee may be present at this meeting.

Germantown School District
Germantown, Wisconsin 53022

**Minutes of the Board of Education
Insurance Committee Meeting**

District Administrative Offices

January 8, 2018

The Insurance Committee meeting was called to order by Committee Chair Tom Barney at 5:06 P.M. in the District Office Board Room.

Insurance Committee Members present: Tom Barney, Sarah Larson, and Lester Spies arrived at 5:17 P.M. Board President Bob Soderberg was also present.

Administrators present: Jeff Holmes, Ric Ericksen and Mike Nowak

1. Motion by Sarah Larson, second by Bob Soderberg to approve the agenda - approved.
2. Motion by Sarah Larson, second by Bob Soderberg to approve the minutes from the October 16, 2017, Insurance Committee Meeting - approved.
3. Reports
 - A. Health Insurance Enrollment - Mike Nowak gave an overview of the distribution of enrollees.
 - B. Voluntary Insurance Enrollment - Mike Nowak explained that enrollment was too low to offer the plans. Ric Ericksen stated we may be looking at offering again in a few months.
4. Unfinished Business - discussion with appropriate action
 - A. Employee Wellness Programs Mike Nowak explained how the Wellness incentive programs will work and Ric Ericksen reiterated to the Committee how simple the chart will be for employees to follow and achieve the Wellness Incentive.
 - B. Health Insurance Offering to Retirees - Ric Ericksen reviewed the history of how and why the District has Direct Bill Retirees on the District Insurance Plan. The Committee by consensus directed the team to begin the process of removing direct bills from our Insurance.

5. New Business - Discussion with Appropriate Action
None

6. Motion to adjourn by Sarah Larson, 2nd motion by Lester Spies - approved

Meeting was adjourned at 5:47 P.M.

GERMANTOWN SCHOOL DISTRICT

TO: Insurance Committee **TOPIC:** Employee Wellness
FROM: Michael Nowak **BOARD MEETING:** April 30, 2018
DATE: April 23, 2018 **AGENDA ITEM:** V.A.

The Insurance Committee is being provided with an overview of wellness offerings for Germantown School District employees during the spring of 2018. Employee participation in these events serves as part of the requirements for insured staff members to receive the wellness incentive benefit. The chart which summarizes wellness incentive benefit requirements is also being provided. With recognition that there is potential benefit for everyone, the events are open to non-insured staff members as well.

Recommendation: Report (Informational)

Employees who participate in the District Health Insurance: To continue to receive the Premium Discount, you must complete the required activities. Both activities in Box A are required. In addition you must participate in 2 activities from box B or 1 from Box B and 1 from Box C.

Box A (Both are required)

UHC Rally Health Risk Assessment – Complete on your own

Biometric Screening – being offered at each building



Box B – District Sponsored Events

- *Financial Wellness
- *Nutrition
- *Yoga
- *Fitness Classes
- *Mindfulness
- Spring Poker Run/Walk
- January 12 Indoor walk at each school

Box C – Independent Activities

- Real Appeal (UHC Program)
- Fitness center attendance**
- 10 Work Outs in 4 weeks**
- 3 Rally Missions
- UHC Coaching Program

** Some activities in Box C will require documentation/proof – more info to come.

*Attend one (1) class

WELLNESS OFFERINGS SPRING 2018

1/12/2018	Indoor Walk	GHS
1/31/2018	Yoga	Amy Bell
2/8/2018	Yoga	Rockfield
3/14/2018	Regulate and Reset (Mindfulness)	District Office Board Room
3/20/2018	Yoga	District Office Board Room
3/22/2018	Yoga	MacArthur Library
3/28/2018	Identity Theft (Financial Wellenss)	GHS Room 155
4/11/2018	Credit Rating (Financial Wellenss)	GHS Room 155
4/11/2018	Pilates	Rockfield
4/18/2018	Yoga	GHS Cafeteria
4/24/2018	Poker Walk	GHS Track
4/25/2028	Healthy Cooking	GHS Room B101
5/9/2018	Yoga	County Line Gym
5/9/2018	Pilates	Rockfield

HEALTH INSURANCE OFFERINGS FOR 2018

With Wellness Participation

		HSA OPTION				DEFAULT OPTION				LOW DEDUCTIBLE OPTION			
		\$3,500/\$7,000 Deductible				\$2,500/\$5,000 Deductible				\$500/\$1,000 Deductible			
Employee Count	Total Premium	Employee Monthly Cost	Employer Monthly Cost	Total Premium	Employee Monthly Cost	Employer Monthly Cost	Total Premium	Employee Monthly Cost	Employer Monthly Cost	Total Premium	Employee Monthly Cost	Employer Monthly Cost	Total Premium
Single	\$654.94	\$35.00	\$619.94	\$794.95	\$55.65	\$739.30	\$880.69	\$141.39	\$739.30	\$880.69	\$141.39	\$739.30	\$880.69
Family	\$1,447.85	\$70.00	\$1,377.85	\$1,757.36	\$123.02	\$1,634.34	\$1,946.90	\$312.56	\$1,634.34	\$1,946.90	\$312.56	\$1,634.34	\$1,946.90
Annual Medical Plan Total	\$4,640,527	\$227,640	\$4,412,887	\$5,632,536	\$394,278	\$5,238,259	\$6,240,054	\$1,001,795	\$5,238,259	\$6,240,054	\$1,001,795	\$5,238,259	\$6,240,054
Cost for premium + HSA													
Single			\$724.11										
Family			\$1,586.18										
		4.91%	95.09%		7.00%	93.00%		16.05%	83.95%				

Without Wellness Participation

		HSA OPTION				DEFAULT OPTION				LOW DEDUCTIBLE OPTION			
		\$3,500/\$7,000 Deductible				\$2,500/\$5,000 Deductible				\$500/\$1,000 Deductible			
Employee Count	Total Premium	Employee Monthly Cost	Employer Monthly Cost	Total Premium	Employee Monthly Cost	Employer Monthly Cost	Total Premium	Employee Monthly Cost	Employer Monthly Cost	Total Premium	Employee Monthly Cost	Employer Monthly Cost	Total Premium
Single	\$654.94	\$69.42	\$585.52	\$794.95	\$100.16	\$694.78	\$880.69	\$185.90	\$694.78	\$880.69	\$185.90	\$694.78	\$880.69
Family	\$1,447.85	\$153.47	\$1,294.38	\$1,757.36	\$221.43	\$1,535.93	\$1,946.90	\$410.97	\$1,535.93	\$1,946.90	\$410.97	\$1,535.93	\$1,946.90
Annual Medical Plan Total	\$4,640,527	\$491,896	\$4,148,631	\$5,632,536	\$709,700	\$4,922,837	\$6,240,054	\$1,317,218	\$4,922,837	\$6,240,054	\$1,317,218	\$4,922,837	\$6,240,054
Cost for premium + HSA													
Single			\$689.68										
Family			\$1,502.71										
		10.60%	89.40%		12.60%	87.40%		21.11%	78.89%				

HSA Funding for \$3,500/\$7,000 Plan Design

Single	\$1,250	82
Family	\$2,500	230
Max. Exposure		\$677,500

Surplus from Current to HSA

Current Employer Spend	\$5,238,259
All Enrolled in HSAs	\$4,412,887
	\$825,372

GERMANTOWN SCHOOL DISTRICT

TO: Insurance Committee **TOPIC:** Strategic Planning Meeting
FROM: Michael Nowak **BOARD MEETING:** April 30, 2018
DATE: April 23, 2018 **AGENDA ITEM:** V.B.

A group of staff members met last summer to discuss short- and long-term goals relative to employee benefit management. The process involved engaging staff members in learning about fundamentals of benefits, claims, premiums and plan options as we worked towards development of a tiered plan design with a related wellness incentive benefit. The Insurance Committee is being provided with a copy of the executive summary from this Benefit Exploratory (Strategic Planning) Group. The document provides an overview of the multi-year process that has focused on engaging staff members in regard to their thoughts and perspectives on providing an attractive benefit package. This work is essential and we continually consider how to attract and retain quality staff.

Recommendation: Report (Informational)

Germantown School District

Benefit Exploratory Group / Executive Summary

Purpose – A process designed to assist in achieving short- and long-term benefit goals. The strategic outline to employee benefits management is laid out below to provide the guiding principles and focus to establish:

1. An understanding of the district objectives and its relationship to benefits
2. An understanding of current benefit program strengths and weaknesses
3. An understanding of industry trends and external factors which influence its benefit plan
4. An understanding of the specific benefit needs and wants of the staff members and administration staff
5. Outlined categories to focus on methods for moving from the current state to the preferred future

Process – the committee completed a series of interrelated steps and activities designed to produce results the first year of implementation. We also started the groundwork for continuation of the process in subsequent years. The 2017 process included:

Phase 1: Discovery: Reviewed benefits strengths, weaknesses, opportunities and threats

Phase 2: Learning/education: Overviewed fundamentals of benefits, claims impact to premium, worksite benefits, options of plans for staff (tiered plan designs).

Phase 3: Next steps: Planning and setting course

- a. Building a plan
 - i. Set short-term (1-2 year) goals and strategies – 2018 renewals
 - ii. Set long-term (3-5 year) goals and strategies

Outcomes of Process

Scope: Health and welfare employee benefits three-year plan keeping in mind a five-year perspective.

2017 Priorities

- Solidified plan renewal with the cost to the employer staying ~~staying~~ status quo.
- Review HSA/HRA plan design as an option for upcoming education / consideration
- Offer multiple plan designs to employees
- Ongoing review of law updates for sake of compliance
- Expand employee communication efforts on current and upcoming areas of focus and change.
- Wellness strategies / initiatives: Coordinate wellness participation to aggressively control health costs (positively).



Benefits and Risk Consulting

2018 Priorities

1. Wellness initiatives:
 - a. Coordinate wellness participation to aggressively control health costs (positively)
 - b. Discuss incentive for HRA/Annual Screenings
 - c. Participate in the Blue Zone Project with Dodge County
 - d. Continue gathering of clinic model information with Aurora Clinic
2. Plan design changes: Review in 2018 for 2019
 - a. Assess combination of High Deductible Plans with HRA / HSA options to see if it makes sense to all involved.
 - b. Stay under needed trend for sake of affordability (to staff, district and PPACA taxes)
 - c. Staff Survey on benefits
3. Contribution:
 - a. Determine best method for contribution differential for Health Assessment Communication:
 - b. Evaluate and benchmark benefits to best position district to attract and retain all generations.
 - c. Ongoing consumerism and education

Begin and Continue

1. Integrate wellness and disease management into benefit plan designs .
2. Develop strategies to reduce increases of healthcare costs with minimal plan design changes.
3. Review claims utilization to stay ahead of issues so we can continue to plan for upcoming renewals.

Years 2-3

1. Voluntary products – Further assess current accident / critical illness if / when new plan designs are introduced
2. Review contribution differential for Health Assessments (including spouses)
 - a. Continue to build more effective impact on claims via wellness
 - b. Focus on biometric based programs for best impact
3. More consumerism focused plan changes to be evaluated annually
4. Evaluate Spousal Surcharge
5. Ongoing evaluation of wellness, plan designs, contribution and eligibility to protect and maintain competitive benefits program through the Healthcare Reform transitions.



Conclusion

The advisory group did a nice job of being open with their thoughts and perspectives. Most importantly, the realization took place that we are all in this together and that status quo is not an option for reasons outside of anyone's control. Therefore, we really need to keep constructively communicating on how best to approach the upcoming years to provide an attractive benefits package while keeping focus on how to attract and retain quality staff. Changes were made last year toward the journey. The real work of effective communication begins now.

District Committee Members:

- Jamie Canestra
- Julie Cull
- Jon Van Aacken
- Sherry Jaeck
- Beth Dover
- Tom Wilcox
- Jon Stachowiak
- Mike Nowak
- Ric Ericksen

ABRC Facilitators:

- John Manthy, Benefits Consultant
- Suzie Kaiser, Benefits Consultant
- Beth Last, Account Executive



GERMANTOWN SCHOOL DISTRICT

TO: Insurance Committee **TOPIC:** Employee Benefit Renewal
FROM: Michael Nowak **BOARD MEETING:** April 30, 2018
DATE: April 23, 2018 **AGENDA ITEM:** VII. A.

Suzie Kaiser from Associated Benefits and Rick Consulting (ABRC) will be in attendance to discuss the process for our 2019 renewal of benefits. She has provided a “Claims vs. Premium” report which will be discussed in detail as it relates to the renewal process.

Recommendation: Pending discussion by the Insurance Committee

Premium vs Claims Incurred Including IBNR - Underwriting - Non-Standard

Report Filter:

{(-Policy Number) = 000909141) And ({Book Year/Month} = 2018-03, 2018-02, 2018-01, 2017-12, 2017-11, 2017-10, 2017-09, 2017-08, 2017-07, 2017-06, 2017-05, 2017-04, 2017-06, 2017-05, 2017-04, 2017-03, 2017-02, 2017-01, 2016-12, 2016-11, 2016-10) And ({Benefit Type Category} {{ID Field}} = 9 or 10) And ({Funding Arrangement Category} <

Premium vs Claims Incurred Including IBNR - Underwriting - Non-Standard

Please Note:

For markets moving to service fees, premiums are shown with service fees included. For markets continuing to pay commissions, premium still includes co

Year / Month	Members	Subscribers	Premium	Premium PMPM	Medical Payments
2016-10	874	329	\$463,489	\$530.31	\$161,649
2016-11	864	325	\$461,763	\$534.45	\$202,245
2016-12	869	326	\$459,947	\$529.28	\$113,952
2017-01	869	327	\$454,790	\$523.35	\$183,012
2017-02	848	323	\$452,458	\$533.56	\$164,387
2017-03	855	322	\$456,267	\$533.65	\$164,910
2017-04	844	319	\$452,111	\$535.68	\$297,426
2017-05	845	320	\$448,689	\$530.99	\$145,683
2017-06	836	317	\$448,664	\$536.68	\$255,807
2017-07	839	319	\$447,884	\$533.83	\$241,815
2017-08	855	324	\$446,597	\$522.34	\$336,159
2017-09	817	310	\$439,982	\$538.53	\$261,277

17-03, 2017-02, 2017-01, 2016-12, 2016-11, 2016-10) And ({Bill/Service Year/Month} = 2018-02, 2018-01, 2017-12, 2017-11, 2017-10, 2017-09, 2017-08, 2017-07, <> Administrative Services Only)

mmissions.

Capitation Payments	Managed Pharmacy Payments	Total Payments	Claims to Premium Ratio	Total Payments PMPM	12 Month Rolling Average PMPM
\$22,089	\$69,746	\$253,483	54.7%	\$290.03	
\$22,039	\$91,040	\$315,323	68.3%	\$364.96	
\$21,983	\$86,483	\$222,418	48.4%	\$255.95	
\$21,238	\$85,395	\$289,646	63.7%	\$333.31	
\$21,055	\$92,824	\$278,265	61.5%	\$328.14	
\$21,129	\$102,445	\$288,484	63.2%	\$337.41	
\$21,037	\$87,155	\$405,617	89.7%	\$480.59	
\$20,864	\$109,610	\$276,157	61.5%	\$326.81	
\$20,864	\$99,882	\$376,553	83.9%	\$450.42	
\$20,716	\$74,527	\$337,058	75.3%	\$401.74	
\$20,655	\$119,729	\$476,544	106.7%	\$557.36	
\$20,366	\$78,330	\$359,973	81.8%	\$440.60	\$379.79

2017-10	812	309	\$435,487	\$536.31	\$244,970
2017-11	806	306	\$432,819	\$537.00	\$238,854
2017-12	802	307	\$435,321	\$542.79	\$445,967
2018-01	804	298	\$417,563	\$519.36	\$149,398
2018-02	811	297	\$414,026	\$510.51	\$205,498

Total by Experience Period

Current Period	9,926	3,748	\$5,275,410		\$2,987,764
Prior Period	4,324	1,630	\$2,292,447		\$825,245

Average Membership/PMPM Premium and Payments by Experience Period

Current Period	827	312	\$531.47		\$301.00
Prior Period	865	326	\$530.17		\$190.85

% Change

Current Period vs Prior Period	(4.4%)	(4.2%)	0.2%		57.7%
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The following grid shows detail of the main Summary Grid. If you have not requested to Add More Details to this Report, this grid will be a duplicate of the Grid.

\$20,141	\$103,109	\$368,220	84.6%	\$453.47	\$393.41
\$20,018	\$78,607	\$337,479	78.0%	\$418.71	\$397.86
\$20,067	\$96,157	\$562,192	129.1%	\$700.99	\$434.40
\$18,567	\$121,990	\$289,955	69.4%	\$360.64	\$437.27
\$18,520	\$94,880	\$318,898	77.0%	\$393.22	\$442.99
\$242,943	\$1,166,422	\$4,397,129	83.4%	\$442.99	
\$108,403	\$425,488	\$1,359,136	59.3%	\$314.32	
\$24.48	\$117.51	\$442.99			
\$25.07	\$98.40	\$314.32			
(2.4%)	19.4%	40.9%			

main Summary Grid. If you have requested to Add More Details to this Report, this grid will represent a detail breakout of the main Summary