



*The Helena Public Schools educate, engage, and empower each student to maximize his or her individual potential with the knowledge, skills and character essential to being a responsible citizen and life-long learner.*

## Board of Trustees Special Meeting

Thursday, June 25, 2020 | 12:00pm

### Notice of Online Meeting:

In compliance with the guidance of local and state health officials, the Helena Public Schools are conducting this Board of Trustees Meeting as an online meeting. This meeting will not occur at any specific location as all members will attend online.

Members of the public can attend by clicking here: <https://helenaschools.org/event/board-of-trustees-special-board-meeting-6-25-2020/>. We ask that all participants mute their microphone until called upon by the Board Chair for general and/or specific public comments. Upon completing public comment, please ensure that your microphone is again muted.

## AGENDA

- I. CALL TO ORDER / PLEDGE OF ALLEGIANCE
- II. REVIEW OF AGENDA
- III. **GENERAL PUBLIC COMMENT:** *This is the time for comment on public matters that are not on the agenda. Public matters do not include any pending legal matters, private personnel issues or private student issues. Please do not attempt to address such issues at this time or you will be ruled out of order. The Board cannot enter into a discussion during General Public Comment.*
- IV. **NEW BUSINESS**
  - A. **ITEMS FOR ACTION**
    1. Health Benefit Plan Changes – Hearing Aid and BAHA Benefit (see attachment)
    2. Benefit Enhancement with St. Peter’s Hospital (see attachment)
    3. Health Benefit (Rate) Changes (see attachment)
- V. BOARD COMMENTS
- VI. ADJOURNMENT

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### Helena Public Schools Board of Trustees

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# Board of Trustees Special Board Meeting

Approval of Health Benefit Plan Changes 2020-2021

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## IV. NEW BUSINESS

### A. Items for Action

#### 1. Approval of Health Benefit Plan Changes

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#### **Background:**

The Health Benefits Committee has reviewed and approved an additional plan benefit for the Board's recommendation for Plan Year 2020-2021. Through analysis with Alliant (our consultant), we have determined both the benefit dollar value and potential impact of the new service.

The committee considered the nature of such added benefit and the impact to the individual employee/member as well as the financial considerations.

The Committee recommends approval of Hearing Aid and BAHA services for the 20-21 Plan Year. This will have an approximate cost of \$46,500 annually to the Plan.

The Health Benefits Committee will explore possible benefit changes to the Health Plan over the course of the next benefit year that may be implemented to keep any premium increases at a moderate level for 2021-2022 benefit plan year.

#### **Considerations:**

- This recommendation supports the philosophy of the committee and intent of the plan while maintaining fiscal solvency.
- This change supports the directive of the Board to support our employees and community in providing access to health care services and doing so in a fiscally responsible way.

#### **Superintendent recommendation:**

Approve the Health Care Benefit Committee's recommendation to adjust the plan benefits as noted above.

# Plan Design Review & Financial Analysis

## ALLEGIANCE – Recommended Benefit Design

### Scheduled benefit:

#### HEARING AIDS

(Includes exam and fitting)

Deductible ..... Applies  
 Benefit Percentage ..... Applies  
 Hearing Aid Maximum Benefit ..... One (1) per ear per every three (3) Benefit Periods

#### BONE-ANCHORED HEARING AIDS (BAHA)

Deductible ..... Applies  
 Benefit Percentage ..... Applies  
 Maximum Benefit ..... One (1) per ear per Lifetime

### Medical Benefit:

HEARING AIDS AND EXAMINATION

**Benefit maximums apply as stated in the Schedule of Medical Benefits.**

Coverage includes charges in connection with the fitting and purchase of hearing aids, including hearing examinations, hearing aids and related services and supplies. Services must be rendered by a licensed audiologist. **Charges for batteries are excluded.**

BONE ANCHORED HEARING AIDS

**Benefit maximums apply as stated in the Schedule of Medical Benefits.**



### A Focus on the Key Issues

- ✓ Plan Design
- ✓ Industry Standard/Benchmark
- ✓ Financial Review

## Hearing Aid & Bone Anchored Hearing Aid

### Hearing Aid

- The average cost of one digital hearing aid can range from \$1,000 to \$4,000.
- The lowest cost hearing aids cost between \$1,000 to \$3,000, per device.
- Midrange hearing aids cost from \$3,000 to \$4,500, per device.
- The purchase of a hearing aid usually includes a hearing test, consultation, initial fitting and follow-up appointment for adjustments.
- Consumers select hearing aids costing on average \$2,300.

### Bone Anchored Hearing Aid

- Bone Anchored Hearing Aid an implantable device on average cost \$10,000, which includes device and surgical costs.
- Treat hearing loss through bone conduction and sound vibrations in the inner ear.
- Typically works best for individuals that have one inner ear that functions normally (e.g. single sided deafness, inner ear malformation).

## Hearing Aid & Bone Anchored Hearing Aid

### Low End

- Can set Hearing Aid Benefit Maximums and exclude BAHA
- Benefit Max
- \$2,000 Allowable, per Device / 36 months
- \$2.00 Per Employee Per Month
- Assuming 1,000 approximate covered employees
- **\$24,000 Annual Plan Cost**

### High End

- Assume a standard Hearing Aid Benefit Maximum with BAHA coverage
- Benefit Max
- \$2,500 Allowable, per Device / 36 months
- \$10,000 BAHA Maximum, one per lifetime
- \$3.88 Per Employee Per Month
- Assuming 1,000 approximate covered employees
- **\$46,560 Annual Plan Cost**

# Board of Trustees Special Board Meeting

Approval of Benefit Enhancement with St. Peters Hospital

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## IV. NEW BUSINESS

### A. Items for Action

#### 2. Approval of Health Benefit Enhancement with St. Peters Hospital

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#### **Background:**

Helena Public Schools Health Benefits Committee with Allegiance, our Third-Party Administrator, has been in discussions with St. Peter's Hospital regarding our community partnership. As one of the major health care providers, St. Peters has been interested in creating new and innovative ways to serve the community and partner with employers. As one of the larger employers in Helena, Helena Public Schools has too, been seeking opportunities for evolving health care services to our employee members and their families.

In the last several months, Allegiance and St. Peters have negotiated a Health Benefit Enhancement to add on to the existing benefit plan and structure for HPS.

This program will be an addition and will be optional for employees and their dependents to use at their discretion.

This plan will create a new way for employee/members to engage St. Peters and take advantage of new rates for services such as doctor visits, medical procedures and with overall less cost.

This plan will require employees to pay a market rate co-pay (\$35.00), and although that is higher than the Urgent Care North and Riverwood (\$10.00), the services at St. Peter's will be significantly discounted and will result in less, overall, out of pocket cost for the employee/member.

We will evaluate the program at least quarterly and continue to adjust the program as needed.

#### **Considerations:**

- HPS employees currently access St. Peter's and several health care providers out of the local area; this added benefit may encourage employees to use more St. Peter's services. This would benefit St. Peter's and the employee/member.
- The rates negotiated are more than competitive and should prove to save employees money as well as the District Plan. It is estimated, by applying last year's usage – that the plan would save over \$100,000 in the course of the year.
- Individual employees / members could save hundreds of dollars by using this program as opposed to using the existing plan and going through the deductible and co-pay format.
- This agreement supports the directive of the Board to support our employees and community in providing access to health care services and doing so in a fiscally responsible way.

#### **Superintendent recommendation:**

Approve the Health Care Benefit Committee's recommendation to add the St. Peters Hospital Plan Enhancement.

# Board of Trustees Special Board Meeting

Approval of Health Benefit Rate Changes 2020-2021



## I. NEW BUSINESS

### A. Items for Action

#### 3. Approval of Health Benefit Rate Changes

### Background:

The Health Benefits Committee has reviewed and created the following recommendation for Plan Year 2020-2021:

Increase Premiums by 1% for the District Premium and Standard Benefit Plans.

How the Health Benefits committee arrived at the recommendation is written below:

- The Claims costs for medical and pharmacy were inflated by the 5% that the Committee members agreed upon. The dental claims are increased by 7% and the vision claims were inflated by 2% which was proposed and approved for recommendation. These numbers are based on the Trend Percentages below for our Region.

	Medical	Dental	Vision
<i>AON</i>	6.5%	5.1%	2.2%
<i>Segal</i>	5.1%	9.4%	1.6%
<i>Allegiance</i>	4.6%	11.9%	2.0%

In completing the 2020-21 Premium Analysis we calculated the estimated claims and expenses four ways as in prior years (1. Annualize the last six months costs. 2. Last plan year's actual costs. 3. Last twelve months of actual costs. 4. The average of the first three methods.) The Committee opted to use the average of the three methods outlined above as this method makes the most sense, not overly conservative or too radical. The results of this calculation estimated the costs for both plans at \$10,231,544. The estimated premiums with the recommended increases, based on 3/31/2020 enrollment figures would amount to \$9,717,561 leaving a balance of \$513,983. It would take a 5.4% Premium rate increase to cover the estimated rise in cost. However, after looking at a 4-year look-back we have averaged about 8.7 million in Plan cost, with the last 2 years being 9.3 million in average. The Committee voted to increase the Premium rates by only 1% due to the following reasons:

- ▲ The last 2 years ran higher than our norms
- ▲ With no increase and a "normal year" we should be able to cover the Plan Cost for the next year
- ▲ With a 1% increase, this would allow us to have a little room for another potentially higher than normal year. This also allows us to try and keep Premium rate increases at a minimum for the following year

The District's Cafeteria Benefit Amount for employees was also increased by 5% due to prior year's negotiations.

### Considerations:

- This recommendation supports the needs of the plan – to maintain fiscal solvency.
- This increase would cost \$39 per member per month.
- This change supports the directive of the Board to support our employees and community in providing access to health care services and doing so in a fiscally responsible way.

### Superintendent recommendation:

Approve the Health Care Benefit Committee's recommendation to adjust the premiums by 1%.

