

# MINUTES OF THE HEALTH BENEFITS COMMITTEE MEETING

HELENA SCHOOL DISTRICT NO. 1, LEWIS AND CLARK COUNTY

April 27, 2023

3:57 PM

The regular meeting of the Health Benefits Committee meeting was called to order in the Lincoln Center Board Room and online via TEAMS at 3:51 PM.

**ATTENDANCE - *Present*** unless otherwise noted.

John Burke – Chair	Janelle Mickelson - Absent	Emily Rodway
Shannon McNamee - Absent	Terri Norman - Absent	Betsy Allen
Rich Franco	Bridget Butler	Elizabeth Grev
Marti Kuntz - Absent	Kay Satre	Keri Mizell
Beth Heiser		

**INTRODUCTIONS** – (Rich) Welcome to the Health Benefits Committee Meeting 4/27/23. 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 Committee cannot enter into a discussion during General Public comment.

Alright, I don't see any public in the meeting so we will go ahead and begin going through our Agenda.

**GUESTS** – None


**ACTION ITEMS:** -

*No Quorum*

## SUBCOMMITTEE REPORTS

 Finance/Benefit Sub-committee: – None

 Wellness – None

 Appeals – None

 Communications – None

## HEALTH BENEFIT MEETING DISCUSSION:

- Since we are short for a quorum, we are just having a discussion. We will talk about a bunch of this stuff we're seeing and what we'll have to vote on. We will have to get this done by next Wednesday. I'm anticipating Allegiance and Express Scripts to get me the final numbers so we will have the exact final numbers. For now, we can look at what we have through the 18 months of data I have collected and input. As you will see in the discussion notes, the 5% Medical, 3% Dental and 2% Vision the expenditures are as follows. For those who don't know and those who need a refresher, there are 3 different methods, the Annualization method where it takes 6 months of data and multiply by 2 to get the yearly amount. The Last Plan Year which gets all the data for that Plan Year and gets factual numbers for the Plan Year completed. Then the last one is the last 12 months, where it gathers the last 6 months of the previous Plan Year and the first 6 months of the current Plan Year, so we have a snapshot of how that looks. The last 2 methods are the most accurate in my opinion, but we have all 3 and you will see the Average of all 3 is \$12,514,000. Now remember, these are not final because I'm still

waiting on data from Allegiance and Alliant. If we did a 6% Medical Increase, we would need about a 10.1% increase to meet the \$13,548,076 based on the numbers we have now that are incomplete. The Dental and Vision numbers we can increase or decrease by a percent and that will only change the total expenditure amount by \$5,000 or so... so it's the Medical side as always that plays the biggest role along with the enrollment numbers, which is why we need those exact numbers from Allegiance and Alliant to complete the final numbers. The enrollment numbers from 3/31 I didn't like how it was broken out because it had older terminology, NTP is Standard and MDV is Premium and they didn't break it out the way I had wanted. So, I requested the report in more detail with current terminology and once I get that information, we will have more solid numbers. With that said, the numbers I have with current Premiums would be about \$12,294,700 which would leave us short about \$1.146 million dollars. We would need about a 9% increase to be about break even with these numbers, technically we would need a 9.32% increase but the .32% is irrelevant right now since we are still awaiting final numbers. Express Scripts is still working on getting back to me on a \$23,000 credit that Allegiance needs to final their numbers for the break outs of Medical/Dental/Vision/Rx claims per category, Active Premium, Active Standard, Retiree Premium and Retiree Standard. As I stated, the numbers I am waiting for could impact about 1% or 2% difference. Betsy: Rich, would that be a negative or positive impact? Rich: Potentially either way, it depends how March ran. I can tell you already that looking at the claims I have been paying that it will most likely be higher. Hopefully only 1% and not more, but we will see, I'm hoping for optimism. I am hoping to get the numbers by tomorrow or Monday at the latest. I did talk with Candice Delvaux (the Super's Assistant) and let her know we are trying to get this to vote by Wednesday the 3<sup>rd</sup> so we can get this to the Board by the May 9<sup>th</sup>. Even if you guys can only join TEAMS, we will need you guys to do that.

- Rich: I did some quick numbers for the Employee Out of Pocket expense. Those on the Single Premium Plan would see about an \$87 increase, Single + Spouse about \$164, Single + Dependents \$100 and \$177 for Single + Family, and that's per month. The Single Standard would be around \$59, with Spouse \$112, with kids \$70, with family \$122. And that's all based on 9% and with the current numbers, so when we get those final numbers, these will change. Just a reminder, last year we went with a 15% increase instead of 20% increase so if we had done the 20% then these numbers would be about 5% less. So, really, we haven't ran that bad this year, it's the nature of the beast so to speak. With inflation and the costs increasing quickly we will have to be diligent in what we do. As I sent in one of the emails, we have about \$2.4 million in Unreserves, I'd like it to be closer to \$3.5 million but unfortunately that's where we are. Typically, the last 6 months we see about a \$700,000 up to \$1 million loss in Unreserves, on a bad 6 months we could see up to \$2 million. We did go from about \$1 million to start the year up to \$2.4 million, but as a reminder that is the rollercoaster we see because the first 6 months members are trying to hit their deductibles and max out of pockets and then the last 6 months we see them hit all those and the Plan pays more. We definitely don't have cushion anymore to eat any premiums. John Burke: Even at 9% when it's 9.32% that wouldn't be the whole amount right? Rich: Yes, but the .32% is about \$38k. So, it definitely is an impact but not as much as 1% which is around the \$100k mark. Bridget: We've had a lot of high-cost claims in the past few years, a lot of cancer and so forth, are those people closer to retirement or younger? Rich: Last year we had 2 fall off the plan, which was good for the Plan and good for them because they had other coverage. The 2 new ones this year 1 is closer to retirement age and the other is about middle age, our age I guess you can say. We still have a couple young ones, a 19-year-old and someone in the mid-late 20's. We just got another diagnosed one that is 41 years old, so that one hasn't even impacted us yet. Kay: I have what is probably a dumb question, but I just want to understand, when using the 5% Medical, 3% Dental, 2% Vision, and we'd need a 9% increase. What is the relationship with that? Rich: When we voted last month on the Trend Percentage numbers, with Alliant on the meeting, those are increased costs inflationary cost that push the costs higher. We also get the numbers from Allegiance, and they come from Actuarial Companies/Firms and then we use those numbers and plug them into my thousand of wonderful lines of Excel sheet that was created by an Actuary. What that does, it takes our last 18 months of data and increases those costs by those percentages to give us an outlook. Just like the Board is looking at the Facilities, General Fund, where they had a 49% increase in construction cost over the

past 10 yrs., we have those too and calculate out yearly because the Insurance world is so delicate. Kay: Ok, great that helps I was looking at those numbers and wasn't sure what the combination was. So, a 9% increase would impact the Premiums, what is the District Contribution over the past few years in regard to this? Rich: It's been enough to cover the Single Premium Plan, so if we did 9% and it went up \$87 then the District would cover that... just to bring up, in 2014 Libby Goldes was on the Board and Committee and she asked how sustainable is this? I told her it isn't. I predicted by 2018 employees would be paying for a portion of the Premium Single Plan, maybe not Standard Plan but the Premium side is a Cadillac plan and I have seen this across the board where friends are paying \$85/check, paid every 2 weeks and they only have Medical with a \$4,000 deductible, so we have been really good. Kay: How much total would it go up? Rich: \$1,050.20 per month and the District gives \$969.40 per month for Life Insurance and Health insurance, the \$4.60 is carved out for Life Insurance. I can send this in a spreadsheet to you guys so you can see it. Kay: Keri, I have seen the bargaining notes, have you talked about benefits or compensation? Keri: Compensation will be the next meeting on the 18<sup>th</sup>. Kay: So you haven't gotten to that question yet right? Keri: Correct, we are waiting on a few things before we get to that point. All contracts have compensation open this year. Kay: I was just curious what the feeling was. Rich: I'm sure the feeling isn't very great. I hate to say it like that but I had a chance to talk to our Superintendent and I told him I plan on paying at some point for insurance and have for a while. Betsy: The one that really hurts is the Family plan. Rich: Yes, but the Retirees feel it more. But more and more I see everyone going to the Standard Plan and drop spouses to have their spouses get other coverage. Our Family plan has only a \$3k max oop and that's ridiculously low, so I'm sure that's why they like that plan. That's another thing we need to do is restructure. John: Did they ever finalize the vote on the HB 332 bill? Rich: I believe it's been passed to the Governor, but I want to see the last few years of financial statements, they've only provided financial statements up to 2019, and I think that's a little fishy. So, if it passes completely then we will definitely get more information. Alliant will help us through the process, and we will get to see the pros and cons and be able to go from there if it is signed. Bridget: Has the max oop for family on the premium plan has always been 3,000? Rich: It's been there since prior to me. Bridget: The Plan is spending a lot of money on a family plan with only 3,000. Rich: I agree which is why I think Plan restructuring is something we will be doing. Kay: Can I ask another question? How long have we been paying for the Single Premium? Rich: Since 1991, when we went to a Self-funded plan. Emily: Rich, can you explain our timeline of what we're trying to accomplish? Rich: Basically, what our Premiums will look like by next Wednesday, to the Board 5/9 then the Board will have to vote on it. If they reject it for some reason, they never have, but if they did then we would have a little under a month to figure out what to look at from them. That's why my 6-week window turned into 2 weeks; it's been amazing. John: I think it's important too to bring out that this Committee's job is to bring the numbers out and recommend to keep the plan solvent. Rich: Right! To recommend to keep our plan solvent when we are duly sworn when we took our seats. Betsy: Are you ever going to respond to my email? Rich: Which one? Betsy: The one from a few weeks ago. Rich: Oh, the one I am not accepting? Keri: I'm sorry, we forgot to process that resignation. Betsy: As the rest of you may know or not know, I am retiring after this year. Rich: I reached out to Brenda and told her to let me know if she has someone and I can orientate them.

#### **OTHER:**

- None: Rich: If no one has any other questions, I will send the information out for the Employee Out of Pocket and so forth, along with the other docs that you will see for the meeting we will vote on the Premiums. I will send out an email and we will coordinate the date and make sure it's one that we will have enough for a Quorum. Thank you guys for attending, have a wonderful evening!!!

**Next meeting:** 4/27/23

**Meeting adjourned:** 4:42 PM