your Helena Public Schools

...a great place to learn

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.

Health Benefit Meeting

Lincoln Center|1325 Poplar St. | Helena MT. 59601

Thursday, May 25th, 2023 - 3:45 p.m.

Lincoln Board of Trustees Conference Room and via TEAMS:

Microsoft Teams meeting

Join on your computer, mobile app or room device

Click here to join the meeting

Meeting ID: 260 442 974 78

Passcode: fFBRxD

Download Teams | Join on the web

Or call in (audio only)

+1 406-272-9506,,951148045#   United States, Billings

(866) 790-3305,,951148045#   United States (Toll-free)

Phone Conference ID: 951 148 045#

AGENDA

I. **CALL TO ORDER /INTRODUCTIONS**

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. **<u>Item For Action</u>**

1. 4.27.23 Meeting Minutes
2. 5.11.23 Meeting Minutes
3. Vote: Hinge Program
4. Vote: Livongo Diabetes Program
5. Vote: EAP Services
6. Vote: Life Insurance & LTD

B. **<u>Items For Information</u>**

1. Sub-Committee Reports

<u>Finance/Benefits</u>

- None

<u>Appeals</u>

- None

<u>Wellness</u>

- None

<u>Communications</u>

- None

<u>Other</u>

- None

V. NEXT MEETING

Thursday, June 29, 2023 (if needed)

VI. ADJOURNMENT

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

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 3rd so we can get this to the Board by the May 9th. 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 18th. 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

MINUTES OF THE HEALTH BENEFITS COMMITTEE MEETING

HELENA SCHOOL DISTRICT NO. 1, LEWIS AND CLARK COUNTY

May 11, 2023
3:51 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
Shannon McNamee
Rich Franco
Marti Kuntz
Beth Heiser
Janelle Mickelson
Terri Norman
Bridget Butler
Kay Satre
Emily Rodway
Betsy Allen
Elizabeth Grev
Keri Mizell

INTRODUCTIONS – (Rich) Welcome to the Health Benefits Committee Meeting 5/11/23. 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: -

Approve 4/06/23 Meeting minutes

1st – John Burke
2nd – Terri Norman
All in Favor

Approve 13% Premium Increase for Insurance Premiums

1st – John Burke
2nd – Shannon McNamee
All in Favor

SUBCOMMITTEE REPORTS

- *Finance/Benefit Sub-committee*: – None
- *Wellness* – None
- *Appeals* – None
- *Communications* – None

PREMIUM RECOMMENDATION:

- (See Action Items) – As we get into the "nitty gritty" of this, you will see the Premium Analysis sheet and Final Cals, once again $1.5 million we'd be in the deficit if we didn't increase Premiums. If we did 9% we'd have about a $470k hit to the Plan, at a 12% we'd have about a $45k hit to the Plan, we'd need a 12.88% increase in the premium to break-even. We spent a lot of time on these in the 4/27 meeting so I'll just run these in quick highlights.

- The Employee Out of Pocket Outlook you will see on the Single Premium Plan on 12.5% the employee would see about a $120 difference and the Single Standard Plan they would see about $229 leftover Benefit Dollars instead of the $300 plus. If you look in the highlighted column then you will see the difference in comparison to this year's rates.

- The last fun one is the Unreserves. The last 6 months outlook is really huge and shows what our last 6 months looks like every plan year. The first 6 months looks like "yay" since we have deductible and max oops being met. The last 6 months we see bigger claims and more cost come out of the Plan. 2019 was a better year than the last few years. We had about $261,000 come out of Unreserves and then in 2020 we had about $1.2 million, 2021 was about $699,000 and 2022 was a little over $762,000 come out of Unreserves in the last 6 months. On average, $731,851.83 come out of our Unreserves in the last 6 months. If we look at the last 3 years, the higher years, then $888,000 is what came out… so about $157k more. Assuming we don't have a really bad August like in 2020 when we had over $1.7 million in claims which was the most I've seen in my tenure here… then we would lose about $732k from our Unreserves which would put us in the $1.5 to $1.6 million category for Unreserves. Beth: That seems awfully low what is it normally? Rich: Well, we started the year off just a tad under $1 million which is the lowest I've ever seen it. And since we usually build the first 6 months that's why we are in the $2.4 million Unreserves right now. Kay: Can you give us more historical context on our Unreserves, like $2.4 million and then lose $800k then we'd be in the mid-1 million area. What is healthy? What is normal? Rich: Here's the deal, our Reserves we have about $6 million to pay for run-out of claims, Admin costs, etc. if our Plan went belly up. Generally speaking, it would cover about 2/3 of a year, but now most likely ½ a year. In 2016 we had a healthy Unreserve ($6 million-ish) where we could pass that on to our members. I feel comfortable around the 3 ½ million mark, so we're a million or so away from that right now. But, since we had enough money before we could pass some of the percentage on to the Plan. 2 years ago we were projected 18% and only did 7% and saw over a ¾ million Unreserve hit on top of a bad year. Last year, we had a projected 20% and did a 15% which saw a hit to the Unreserves again. Unfortunately, with our bad years of catastrophic claims where they hit Stop Loss, we used to see around 1 to 3 and now the past few years was between 10 to 12 which is insane. 1 month can make a big difference. As I was telling Mr. Burke, this year we were about $40k under last year's expenses in October and November and then in December we saw a $189k increase compared to last year, that wiped out any savings we were starting to build. That's just how it goes. So, to answer your question, we aren't very healthy in Unreserves and that was a mixture of things. We are at a point now where we just can't undercut anymore. Kay: That context is good, I just wanted to understand how dangerous or dire it was to touch our Unreserves and that answers that. Rich: Yeah, if we did only 9% and we ate almost ½ million in Unreserves, there's a good chance if we had a couple bad months next year, then we could be having an emergency session to increase premiums mid-year…we haven't done that since the mid-90's and I'd prefer us to not to have to do that. We are supposed to be fiscally responsible for the Plan, the Plan is primary and we are supposed to keep the solvency. Shannon: Can I just confirm, if the pattern continues then in the end, we will be about $1.6 million at the end of the Plan Year, which will be about 2 million dollars less than you are comfortable with. Is that correct? Rich: Yes, you are correct. When I said a million, I should've said 2 million. I apologize. Bridget: I have a quick question and I think I know the answer, but I want to confirm. If we went lower than what we have, then by law we can't go into the Reserves, right? Rich: No if we ever touch that then we could get shut down. As Roger Cowan said from Allegiance, if the members of the District Plan thought we were fiscally unresponsible, then members of the District could come after the Committee. Shannon: We could be held liable. Rich: Correct, absolutely. John: You gave us a number per percent, if we went up how much would that be? Rich: $122,000 would be the amount what 1% increase would generate in revenue. Just to keep it in perspective, I just did a payment for weekly claims on a good week for $140k Medical, about $28 for Rx so about $170k for a weekly claims… so just so you have an idea what the $122k would do. Shannon: This is a little off topic, but at the representative meeting 1 of the members asked how much the Plan saved with the new projects that we started. Rich: Back in November Alliant gave us some of those numbers and see if they can update them. They are real numbers, not projected. The only thing that hindered us was the Quantify Health not being able to be implemented due to Cigna's network and contracts. I believe the Smart 90 was doing better than what was projected, but I will get the numbers and we can see. We are looking at a couple more tools/programs that will help our claim cost hopefully go down or keep high-cost claims from increasing. Betsy: We're going to consider 9 or 12 ½ percent, the City of Helena is doubling their Premiums for what they are paying. It doesn't make it look any better, but 12 ½ percent is better. Rich: Right, a friend of mine in California saw an increase of around 24% for their insurance, and another one that's a Para in Springfield, MO which she saw a 17% which made 15% seem a little better. Shannon: I don't recall us talking about this in a few years, but what about raising the deductible on our Plans? Rich: Yes, we talked a little about it in the last 27th meeting and we are going to have Alliant help with that. I talked with Delta Dental (Jim Dole) so he can talk about a couple different type of dental plans, we have been on a reimbursement schedule per code but there are other options and he can help explain what those are. Shannon: So, we aren't talking about doing that this upcoming year? Rich: No, that would take too much time that we don't have. John: Are we looking at doing both? The Plan restructure and RFP? Rich: Yep, that's right. Bridget: The $40k we would save would've been from deductibles or max oops? Rich: The Deductibles, but Alliant was supposed to look into more than that but I think that's just a miscommunication gap so we are going to go over that and have a bunch of information for you guys when you get back from the summer. We will be looking at everything from breaking out our plan, the deductibles/max oops and whatever else is available. What places we can save money, what we can do to enhance our Plan such as the EAP where we can get more robust plan to help the members with a minimal to less cost. Shannon: Just one more question, we probably don't have time to talk about reducing benefits. If we have to reduce benefits how do we decide to do that when our charter/bylaws say we can't specify to certain category/groups. Rich: That answer is pretty simple, if you break out the Plans (Med/Den/Vis), what goes on across the world, we (the District) pays for a certain amount, then if someone wants the better Plan they can pay that additional cost like everyone else. It'd be like Ford Escort but you want a Cadillac, then you will have to pay more. Back to the topic on hand, does anyone have questions on the rates and what we're looking at? Anyone want to make a recommendation? Emily: Just to remind me, last year we voted 15% and we needed 20%. This year we are voting on 0%, 9% and 12.5%? Rich: Emily you are correct, but we don't have to do just those numbers, if you guys want to vote on the full 12.87 or 88%, or 13% then you can make that recommendation and we can definitely look at that. Beth: Say if we did the 12.5%, does that mean we would have to do less? Rich: Yes, in a sense. There's 2 things, 1 if we did nothing with Plan structure then next year the only percentages would be the inflationary increases. So, had we did the full 20 last year it'd only be about 7% this year, so that's 1 part of it. 2, with our Plan design changes and going out to RFP we could potentially lower the premiums and projections for the following year. Beth: It would be good to just get the pain out in 1 year instead of drawing it out. Rich: Yeah, a lot of the drawing out with because we were giving money back to the members because we had a lot of it, but unfortunately now we don't. We have to look at our part and what we can do to maintain solvency and go from there. Kay: It seems to me that the options are, this is what I'm concerned about… we're in budget difficulties for our General Fund. We have historically paid for the full Single Premium Plan, I'm thinking about if we go for 9% we are asking the plan to absorb a certain amount of risk and not pass onto the General Fund and the people right? So, I'm wondering if we went to 12 ½ percent, the bargaining is still in progress, if we go the 12 ½ percent I don't know what that is going to look like in that process, but I also know our General Fund has no margin, how do we leave in the consideration of the solvency of our plan? Rich: You answered it with the last part of the question, it's the solvency. If we did 9% and we absorbed ½ million, then if we have a bad August like 2020, then we could be starting the next year off with $400k to $500k in Unreserves. If we have a rough October, November then we could be meeting in December to raise Premiums. It's a very tricky line, but you have to separate them. Janelle: You have to separate the position on the Board for the General Fund, and the seat in the Committee for the Self Insurance Fund because the job of the Committee is to make sure that the Insurance fund is fiscally sound. Rich: That's a big statement coming from Janelle, the CFO/Business Administrator, but it's a very true statement. It's a great question, but you have to separate yourself out of it and you have to look at what this Plan is doing and what you're charged with is taking care of the Plan. I tell people all the time, do you think I'm happy taking on additional cost personally? No, but that's not my position.

Kay: I do think I am separating, while understanding there are consequences of the decision we make. Last Year when we went for the 15% instead of the 20% to soften the blow for the members and General Fund. Right? Instead of the 20% to maximize. Isn't that true? Janelle: That's true, the problem is we've been doing that for a number of years now and we are eating away at the Plan's Unreserves and can't keep doing that. Rich: She brings up a good point, it's not a General Fund where we can go in deficit, if we go below 0 then we have 2 options. 1, we raise Premium rates for employees or 2, we dissolve our Plan. There are no other options, and that's what makes this black and white. Kay: Thank you for those good responses, it helps. Rich: Of course! You have to be comfortable with all aspects and to understand what you're making decisions on. Beth: Yeah, we don't want to make premium increases mid year, that's unacceptable and not fair to people. Rich: I've talked with numerous employees and there are quite a few members that are on our Premium Plan for Dental and Vision, but they don't understand they can go to the Standard Plan and flex out the $229/month to pay for either of them or both. A lot do now know that, so that's something we need to help them understand. Kay: I think showing what our coverage in comparison with our AA Districts would help see what we have. Rich: Yeah, if we look at other AA schools, basically our Standard Plan beat them all and were getting about $300 a month back they could use the money for. There's a lot more freedom, Billings was the only one matching, there's was very similar to our Standard Plan. John: I also think what Kay was talking about is to look at Plans to see what's covered and what isn't. Rich: Right, you can see versus Billings our Benefit through St. Peter's with their NNP, blows them out of the water. That's something I think Alliant finished a Q & A for and we can send that out to our members to help them. It's insanely good, but not everyone likes St. Peter's so we have options. John: Are we at the point we can maybe throw out some numbers? Rich: Yeah, it's up to you guys! John: Historically I've been here when the Unreserves were good and have come down. I personally feel that we aren't doing the right thing if we don't cover the 12.8% I'd be willing to do the 13%, we're gambling too much. Shannon: I agree with John, we need to keep the solvency and not risk the Plan. Beth: Just do the pain now and then get back on track and see where we are next year. Rich: Yeah, and we'll have changes next year so I think that's the hardest problem is we kept passing on percentages to the Plan so the members saw small percentages. Even the big 18% we only did 7% so that 11% carried over because we had a bad year and we lost a lot in Unreserves and it sucked. Beth: What does dissolve the Plan mean? Would the District would have to emergency pick up a plan from somewhere? Rich: We'd look at being fully insured which means that all the things we did to enhance our Plan and what we can do would go away because we aren't Self-Funded. We would be at their mercy for rates and everything. If they said that we have a 30% increase, then we pay it with no say in it. It's definitely a good question from Beth to keep it all in perspective. John: Does anyone else feel different? Betsy: I will give my 2 cents, I'm with John. I'm tired of gambling too, we need to make it right. Rich: Now we're just waiting for a motion. John: I'll make a motion that we increase the Premiums by 13%. Shannon: I 2nd. Rich: All in Favor? Kay: Wait wait wait, we get to discuss right? I just had a question, why did we look at 12 ½ percent instead of 13%? Rich: We typically just try to make it by ½ percent, but it doesn't mean that is what we have to vote on. That's why I stated earlier that no matter what we have on the sheet that you guys can make a motion on any number. Kay: Ok, thank you. I was just wondering why. Rich: No worries. If there are no other questions, we will continue. On the table right now is a Motion by John Burke for 13% and a 2nd by Shannon McNamee. Can I get an all in favor? Whole Committee: "I". Rich: Any opposed? Ok, then that passes on all in Favor with no opposed. Well that was easy. (Laughter).

OTHER:

- We need to vote on the COVID emergency ending. I think we can use Flex for the COVID tests, so until I hear back, I won't say 100%. But the rest: OTC Test, COVID Vaccine, Telemedicine is all on the table to go back to prior or to keep as current. Prior to COVID we didn't cover Telemed. In PY 21-22 we had 908 Telemed visits equaling about $150,865.29. Over 700 was for Mental Health, which means it's mostly counselor visits. I do know from experience, that most counselors push for online, which isn't bad. It's entirely up to you guys if you want to keep it or not. If we go back to prior, then we're pushing the 700+ mental health visits to go in person. Shannon: In our community there is a lack of counselor services for kids and adults. Rich: Yes, and for those that are seeing counselors outside of the City and State would have to look for other services and that would make it more difficult. John: The Business we are in is a high stress job and it's continuing to get tougher, and I just think we are doing a disservice to our people if they can't access Mental Health. I just think that it's not the right way to go. Shannon: I concur with John. Emily: I have a question on the pay for COVID tests. I would imagine that certain diagnostic tests are paid a certain way, is there a percentage and there are tiers. What way would it be paid? Rich: There is routine and diagnostic. I don't imagine that it would be more expensive for an influenza test, from what I understand from Allegiance they don't have the information yet, but as far as cost goes they're pretty sure it'll be less than the flu test and there should be other avenues for cheaper tests available. Emily: I guess I'm in favor of the COVID test being covered like diagnostic and the vaccine same as other vaccines. Rich: So, top to back to normal and bottom 2 currently. Bridget: So what you're saying is cover them all? Rich: So, if you look at the right side, we'll pay the COVID testing and OTC testing like original and the COVID vaccine and Telemed like current for COVID emergency. Rich: Can I get a motion? Kay: I will move to do what we just agreed to, the COVID Testing like diagnostic, OTC test subject to deductible and coinsurance, COVID Vaccine pay same as other vaccines, Telemedicine Continue to pay the same as current. Rich: Can I get a 2nd? Terri: I. Rich: All in Favor? All Committee: "I". Rich: Any opposed? Ok, I think you guys did really good on that one, I was thinking the same ones myself. I believe that is it. The only other thing I'll say really quick is Alliant did look at Life Insurance and LTD, it's looking like lower savings down to $11k. But, the EAP is looking closer to $18k instead of $30k so that's the good, the bad and the ugly is that we will have to make that decision on the 25th! Any questions? Ok, I call this meeting adjourned!

Next meeting: 5/25/23

Meeting adjourned: 4:59 PM

your Helena Public Schools
...a great place to learn

Life and Long Term Disability Marketing

May 11, 2023

Tom Quirk – Vice President
Heather Williams – Vice President
Cindy Marmolejo – Account Manager

Alliant

Table of Contents

Long Term Disability - Marketing Summary

LIFE AND LTD MARKETING LIST			
Carrier	**AM Best Rating**	**Product(s)**	**Response**
Lincoln Financial Group (Sourcewell)		**Vol LTD**	***DTQ; Could not provide savings***
NY Life		**Life / Vol LTD**	***Quoted; 4.4% above current***
Prudential		**Life / Vol LTD**	***Quoted; 8.9% under current***

Financial Overview

Line of Coverage	Current	Negotiated Renewal	% Δ	Prudential Renewal Option 1	% Δ	NY Life Renewal Option 2	% Δ
Basic Life and AD&D - Lincoln Financial Group	$49,818	$49,818	0.0%	$49,818	0.0%	$55,233	10.9%
Long Term Disability - Sun Life	$73,797	$73,797	0.0%	$62,735	-15.0%	$73,797	0.0%
TOTAL ANNUAL PREMIUM	**$123,615**	**$123,615**		**$112,553**		**$129,030**	
ANNUAL DOLLAR CHANGE		**$0**		**($11,062)**		**$5,415**	
ANNUAL PERCENTAGE CHANGE		**0.0%**		**-8.9%**		**4.4%**	

Basic Life Benefit Comparison

Basic Life and AD&D Plan Benefits	Lincoln Financial Group Current / Renewal		Prudential Option 1		NY Life Option 2	
Eligibility	Class 1: All FT EEs who elected $50,000 Class 2: All FT EEs who elected $25,000		Class 1: All FT EEs who elected $50,000 Class 2: All FT EEs who elected $25,000		Class 1: All FT EEs who elected $50,000 Class 2: All FT EEs who elected $25,000	
Life Benefits	Class 1: $50,000 Class 2: $25,000		Class 1: $50,000 Class 2: $25,000		Class 1: $50,000 Class 2: $25,000	
AD&D Benefits	Same as Life		Same as Life		Same as Life	
Guaranteed Issue Amount	Life amount		Life amount		Life amount	
Benefit Reduction Formula	**Age**	**% of Original Benefit**	**Age**	**% of Original Benefit**	**Age**	**% of Original Benefit**
	65	65%	65	65%	65	65%
	70	45%	70	45%	70	45%
	75	30%	75	30%	75	30%
	80	20%	80	20%	80	20%
	Retirement	0%	Retirement	0%	Retirement	0%
Accelerated Death Benefit	75% of Life Benefit, up to $37,500		75% of Life Benefit, up to $37,500		75% of Life Benefit, up to $37,500	
Waiver of Premium	Included		Included		Included	
Seat Belt Provision (AD&D)	10% of AD&D Benefit, up to $10k		10% of AD&D Benefit, up to **$25k**		10% of AD&D Benefit, up to $10k	
Air Bag Provision (AD&D)	10% of AD&D Benefit, up to $10k		10% of AD&D Benefit, up to $10k		10% of AD&D Benefit, up to $10k	
Repatriation Benefit	Included		Included		Included	
Self Bill or List Bill	List Bill		List Bill		List Bill	

Basic Life Rates

Rate Guarantee		2 Years (9/1/2022 - 8/31/2024)	3 Years (10/1/2023 - 9/30/2026)	3 Years (10/1/2023 - 9/30/2026)
MONTHLY RATES		**Current**	**Option 1**	**Option 2**
Insurance Volume	1067	$45,125,000	$45,125,000	$45,125,000
Basic Life Rate per $1,000		$0.072	$0.072	$0.082
Basic AD&D Rate per $1,000		$0.020	$0.020	$0.020
Combined Rate		$0.092	$0.092	$0.102
MONTHLY PREMIUM		**$4,152**	**$4,152**	**$4,603**
ANNUAL PREMIUM		**$49,818**	**$49,818**	**$55,233**
ANNUAL $ DIFFERENCE			**$0**	**$5,415**
ANNUAL % DIFFERENCE			**0.0%**	**10.9%**

Volume from March 2023 Client Census

This document is intended as a quick reference, not a comprehensive description. Limitations and exclusions can be found in the official plan documents. In case of any discrepancies, the official plan documents will govern.

Voluntary Life Benefit Comparison

Voluntary Life Plan Benefits	Lincoln Financial Group Current		Prudential Option 1		NY Life Option 2	
Eligibility	All Full-Time Employees enrolled in Basic Life		All Full-Time Employees enrolled in Basic Life		All Full-Time Employees enrolled in Basic Life	
Employee Life Benefit						
Maximum	$100,000 (Not to exceed 5 times annual salary); $150,000 (combined with Basic Life and AD&D)		$100,000 (Not to exceed 5 times annual salary)		$100,000 (Not to exceed 5 times annual salary)	
Minimum	$20,000		$20,000		$20,000	
Increments of:	$20,000		$20,000		$20,000	
Guaranteed Issue Amount	$100,000		$100,000		$100,000	
Spouse Life Benefit						
Maximum	$50,000 (Not to exceed 50% of employee benefit)		$50,000 (Not to exceed 100% of employee benefit)		$50,000 (Not to exceed 50% of employee benefit)	
Minimum	$5,000		$5,000		$5,000	
Increments of:	$5,000		$5,000		$5,000	
Guaranteed Issue Amount	$50,000		$50,000		$50,000	
Spouse Rate Basis	Employee's Age		Employee's Age		Employee's Age	
Dependent Child(ren) Life Benefit						
Minimum	$10,000		$10,000		**Birth to 6 months: $500**	
Maximum	$10,000		$10,000		6 months to 26 years: Flat $10,000	
Increments of:	N/A		N/A		N/A	
Guaranteed Issue Amount	$10,000		$10,000		$10,000	
Benefit Reduction Schedule (spouse benefit terminates at Age 70)	**Age**	**% of Original Benefit**	**Age**	**% of Original Benefit**	**Age**	**% of Original Benefit**
	65	65%	65	65%	65	65%
	70	45%	70	45%	70	45%
	75	30%	75	30%	75	30%
	80	20%	80	20%	80	20%
	Retirement	0%	Retirement	0%	Retirement	0%
Waiver of Premium	Included		Included		Included	
AD&D Benefit	Employee: $100,000 (Not to exceed 5x annual earnings); Increments of $20,000; $150,000 (combined with Basic Life and Vol Life) Spouse: up to 50% of Employee Benefit		Employee and Spouse: Same as Life Child: Not Covered		Employee: $100,000 (Not to exceed 5x annual earnings); Increments of $20,000; Spouse: $50,000; increments of $5,000 (terminates at age 70)	
Portability	Included		Included		Included	
Self Bill or List Bill	List Bill		List Bill		List Bill	

Voluntary Life Rates

Rate Guarantee	2 Years (9/1/2022 - 8/31/2024)	3 Years (10/1/2023 - 9/30/2026)		3 Years (10/1/2023 - 9/30/2026)
Monthly Rates per $1,000	**Employee / Spouse Rates**	**Employee**	**Spouse**	**Employee / Spouse Rates**
Under age 24	$0.050	$0.050	$0.050	$0.050
Age 25-29	$0.060	$0.060	$0.060	$0.060
Age 30-34	$0.080	$0.080	$0.080	$0.080
Age 35-39	$0.100	$0.100	$0.100	$0.100
Age 40-44	$0.150	$0.150	$0.150	$0.150
Age 45-49	$0.250	$0.250	$0.250	$0.250
Age 50-54	$0.410	$0.410	$0.410	$0.410
Age 55-59	$0.670	$0.670	$0.670	$0.670
Age 60-64	$0.840	$0.840	$0.840	$0.840
Age 65-69	$1.460	$1.460	$1.460	$1.460
Age 70-74	$2.370	$2.370	N/A	$2.370
Age 75+	$3.640	$3.640	N/A	$3.640
	Employee / Spouse	**Employee / Spouse**		**Employee / Spouse**
Voluntary AD&D per $1,000	$0.030	$0.030		$0.03 / $.035
Dependent Child(ren) Rates	$10,000 Benefit - $1.000	$10,000 Benefit - $1.000		$10,000 Benefit - $1.000

Ny Life Spouse coverage terminates at age 70

This document is intended as a quick reference, not a comprehensive description. Limitations and exclusions can be found in the official plan documents. In case of any discrepancies, the official plan documents will govern.

Long Term Disability Benefit Comparison

Voluntary Long Term Disability Plan Benefits	Sun Life Current / Renewal	Prudential Option 1	NY Life Option 2
Eligibility: Class 1: Hired 1st through 15th of the month Class 2: Hired 16th through end of the month	All Full-Time US employees working in the US scheduled to work at least 20 hours per week, excluding Superintendents	All Full Time Employees working 15 hours per week	All Full-Time US Employees working in the US scheduled to work at least 15 hours per week
CLOSED: Class 3: Hired 16th through end of the month Class 4: Hired 16th through end of the month	All Full-Time US Superintendents working in the US scheduled to work at least 20 hours per week		All Full-Time US Employeess working in the US scheduled to work at least 15 hours per week, excluding Superintendents
Elimination Period	180 Days	180 Days	180 Days
Monthly Benefit Percentage	60%	60%	60%
Maximum Monthly Benefit	$5,000	$7,000	Class 1,2: Units of $100 up to $7000 Class 3, 4: $5,000
Own Occupation Definition	36 Months	36 Months	36 Months
Disability Earnings Test	First 36 Months 80%; thereafter 60%	First 36 Months 80%; thereafter 80%	First 36 Months 80%; thereafter 60%
Definition of Disability	"Own Occupation" and Earnings	"Own Occupation" and Earnings	"Own Occupation" and Earnings
Recurrent Disabilities	6 Months	6 Months	6 Months
Mental Health/Substance Abuse Limitations	24 Months	24 Months	24 Months
Self-Reported Disabilities Limitations	No Limitations	No Limitations	No Limitations
Maximum Benefit Duration	To Age 65 or Social Security Normal Retirement Age	To Age 65 or Social Security Normal Retirement Age	To Age 65 or Social Security Normal Retirement Age
Pre-Existing Condition	6 / 6 / 12	**3 / 12**	6 / 6 / 12
FICA Match	Included	Included	Included
W-2 Production	Included	Included	Included
Self Bill or List Bill	List Bill	List Bill	List Bill

Long Term Disability Rates

Rate Guarantee		2 Years (10/1/2022 - 8/31/2024)	3 Years (10/1/2023 - 9/30/2026)	3 Years (10/1/2023 - 9/30/2026)
MONTHLY RATES (per $100 covered benefit)		**Current**	**Option 1**	**Option 2**
Insurance Volume	390	$844,564	$844,564	$844,564
Under age 24	1	$0.134	$0.114	$0.134
Age 25-29	41	$0.161	$0.137	$0.161
Age 30-34	41	$0.241	$0.205	$0.241
Age 35-39	66	$0.389	$0.331	$0.389
Age 40-44	67	$0.616	$0.524	$0.616
Age 45-49	52	$0.911	$0.774	$0.911
Age 50-54	50	$1.234	$1.049	$1.234
Age 55-59	37	$1.394	$1.185	$1.394
Age 60-64	27	$1.313	$1.116	$1.313
Age 65-69	6	$1.313	$1.116	$1.313
Age 70 and Over	2	$1.313	$1.116	$1.313
MONTHLY PREMIUM		**$6,150**	**$5,228**	**$6,150**
ANNUAL PREMIUM		**$73,797**	**$62,735**	**$73,797**
ANNUAL $ DIFFERENCE			**($11,062)**	**$0**
ANNUAL % DIFFERENCE			**-15.0%**	**0.0%**

Volume from 2023 Client Census

This document is intended as a quick reference, not a comprehensive description. Limitations and exclusions can be found in the official plan documents. In case of any discrepancies, the official plan documents will gove

EAP

EAP Plan Benefits		Compypsch Option 1	Aetna Option 2	
Sessions				
Face-to-Face		6 sessions per issue	6 sessions per issue	
Telephonic		Unlimited	Unlimited	
Employee Services				
Legal		30 minute in person or unlimited telephonic consultation per issue	30 minute in person or telephonic consultation per issue	
Financial		30 minute in person or unlimited telephonic consultation per issue	30 minute in person or telephonic consultation per issue	
Dependent Care		Included	Included	
Employer Services				
Management Consultations		Included	Included	
CISD Seminar(s)		10 hours combined with Trainings, $265/hour after	10 hours per incident (unlimited incidents), $250/hour after	
Wellness/Training		10 Hours combined with CISM, $215/hour after	Bank of five (5) training hours: $0.09 PEPM ($250/hour after)	
Internet Services		Unlimited 24/7	Unlimited 24/7	
Reporting		Included	Included	
Rate Guarantee		**5 Years 10/1/2023 - 9/30/2028**	**3 Years 10/1/2023 - 9/30/2026**	
MONTHLY RATES	EE's	**Option 1**	**0 Training Hours**	**5 Training Hours**
Per Employee Per Month	1067	$1.41	$1.46	$1.55
MONTHLY PREMIUM		**$1,504**	**$1,558**	**$1,654**
ANNUAL PREMIUM		**$18,054**	**$18,694**	**$19,846**

This document is intended as a quick reference, not a comprehensive description. Limitations and exclusions can be found in the official plan documents. In case of any discrepancies, the official plan documents will govern.

Employee Count based off Basic Life Enrollment

Disclosures

This proposal is for information purposes only and does not amend, extend or alter the policy in any way. Please refer to the policy form for completed coverage and exclusion information.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliantinsurance.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

*Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

To learn more about companies doing business in California, visit the California Department of Insurance website at www.insurance.ca.gov.

Alliant