

# Health Insurance Committee

## Meeting Minutes

June 22, 2011

### Committee Members:

Sam Barker	Bill Heiser	Scott Reardon
Elaine Bluhm	Pat Johnston	Nancy Taylor
Jennifer Douglas	Marybeth Norby	Tami Tucker
Lori Finn	Jill Parcels	David Webber*
Mira Gobel*	Margo Piver	Josh Wolcott
Susie Golden		

### Non-Voting Members:

Mick Miller  
Laure Quaresma\*  
Linda Boggs\*  
Judy Gwinn  
Ron Higgins\*  
Mark Higgins\*  
\* = absent

### WELCOME & REVIEW MINUTES FROM LAST MEETING

Pat thanked everyone for coming to the meeting. Minutes from the May 3 meeting were reviewed and no changes were needed.

### SURVEY RESULTS

Committee members had a chance to review the survey results prior to the meeting. There were 272 responses, and Pat was pleased to read many positive comments that staff were happy with and appreciative of our insurance options. A few of the comments were concerning that some staff don't understand how our insurance benefits work. Even though an annual benefit book is provided to each staff member, which details all of the information, we may need to consider other ways to educate staff. It was commented that some employees just don't read the information provided to them. Overall, the group felt the short, quick survey was very helpful.

### LEGISLATURE UPDATE

Pat shared that the legislature retained the state benefit allocation of \$768. The retiree subsidy to Healthcare Authority rose to \$66.01. OSPI is recommending that K12 not be a part of the state's current PEBB plan. The recommendation is to have a plan just for K12 state plan.

### VISION INSURANCE

Bob Johnston, an insurance broker out of Spokane, visited with the committee about creating our own district managed vision plan.

- The district will be in control. We get to set benefits and rates.
- We could see approximately 20% lower rates than what we currently pay, and better benefits if we choose.
- Currently someone in the Seattle area, where provider costs are much higher, pays the same vision rate as we in Walla Walla pay, where provider costs are lower. Basically we are subsidizing other district's vision coverage.
- We will be able to get usage/experience reports, where we aren't able to get that with our current vision insurance.
- The insurance companies we would contract with already have a network of over 1,000 providers statewide. And Bob will work with our local providers to show them the benefits of our new plan.

From our 5/3 meeting notes:

- Creating our own vision plan that would be richer in benefits and be lower than the cost of VSP. Claims would be handled through a third party administrator instead of an insurance company. Being district-managed would allow us to build up a cash reserve/pool for insurance purposes for employees.
- If we choose to have a district-managed plan, the broker would receive \$.50 per person per month (approx \$4,800 per year), and the 2% tax that currently goes to the state would not have to be paid.
- We would be self-managed rather than paying an insurance company.

- The risk is low as there is a ceiling of expenses for vision & dental. This is not the same for medical.

We need to have talking points to share with staff, to help them understand the change.

Timeline: Bob says within a couple of weeks he will be done, and be ready to set up by August 1 to print pamphlets, with an effective date of October 1 (September 30 payroll).

Need to give VSP 30 days notice that we aren't renewing.

The committee agreed that getting commitment from the local providers is essential; otherwise we need to stay with our current plan because employees need to be able to go to their current vision providers. Bob will speak with the providers to get a commitment.

The committee agreed to the district-managed plan if all of our local providers will commit.

### REGENCE BLUE SHIELD

The committee decided to take the Regence proposal off the table at this time.

### WEA PREMIERA BLUE CROSS RENEWAL

The agreed we would continue with the current Premiera Blue Cross health insurance options, and stay with the 10% discount by not offering more than one HMO plan (Group Health).

### GROUP HEALTH RENEWAL

The committee reviewed the Group Health rates for 2011-12. Because rates for Group Health Plan 1 have risen considerably, and because we can only offer one Group Health plan, the committee decided to change the Group Health offering to Plan 2 beginning in 2011-12.

### STEPS (DISABILITY, LIFE INSURANCE, EAP, THEFT PROTECTION)

The committee reviewed the benefit offerings for STEPS and heard positive feedback from other school districts who changed to STEPS this past school year. It was confirmed that all employees pay the same rate for disability (salary) insurance, there is no offset with worker's compensation and sick leave, and they have guaranteed the same rate for three years.

The committee decided to offer the STEPS offerings beginning in 2011-12, replacing the current American Fidelity plans/Unum Life Insurance Plans.

### SUMMARY

Pat asked the committee if they felt we have enough people on the committee, if we have the right people on the committee, if we need to meet more or less often. She welcomes others who may want to participate on the committee.

The group likes the summer meeting, once we know the new rates. Mick would like to meet in the fall to give his thoughts about a composite rate for medical for down the road.

### SET NEXT MEETING DATE:

The next meeting will likely be mid to late July to discuss the new vision insurance coverage, and doctors who have agreed to contract with the plan.