

**INSURANCE OPTIONS COMMITTEE
CENTRAL ADMINISTRATION BUILDING
WEDNESDAY, JANUARY 25, 2017
4:00 PM**

MEMBERS PRESENT: Kelly McGovern, Scot Duncan, Tina Johnson, Ellen Wales, Susan Dickman, William Hiser, Jenè Chollak, Dr. Cristy Pelham, Paul Legerski, Neil Kourbelas and Carol Jelaco

MEMBER ABSENT: Alice Paul

1. Welcome: Kelly McGovern
2. Purpose of the Options Committee and connection to District Insurance Committee:
 - a. Background - Three years ago the Options Committee was put together to review the cost of the plan and what the plan entails
 - b. Kelly McGovern gave an overview of how the Committee has worked in the past and what types of representatives were present
 - c. The Options Committee is not a decision-making committee
 - d. Discussion is held on strengths and weaknesses and the information then goes back to the District Insurance Committee
 - e. This year is unique in that the work of the Insurance Options Committee was shared with the Cost Savings Task Force
3. Fiscal Picture for the District: Scot Duncan
 - a. In reviewing the District Financials and Budget Projections, the insurance program is the biggest cost driver. The loss of students and decreased funding are also causing a deficit.
 - b. The fix needs to be on going, not just a one-year fix
 - c. Legislators reduced the External Cost Adjustment by 1.4% over two years
 - d. The District has a cash reserve that we anticipate using in the 2018/2019 year
 - e. Discussion was held on bus routes, bus purchasing, transportation personnel and current legislative bills
4. Health Insurance Plan Options
 - a. Scot Duncan asked District Insurance Consultants Brad Hyde, Mike Stevens and UMR Representatives what the best way would be to save money on the insurance plan.
 - b. The claims are increasing due to more plan members
 - c. The current plan is a rich design and the grandfathered status is hard to maintain
 - d. Scot Duncan reviewed the Health Insurance Plan Options A through J as listed on the hand out
5. Discussion and Feedback Summary
 - a. Carol Jelaco gave feedback on other plans that she had researched
 - b. Kelly McGovern noted the District would need to make a decision to move away from the grandfathered plan
 - c. Neil Kourbelas would be interested in what employees feel would be best for them in regards to insurance
 - d. If we lose our good benefits package we lose a good recruiting tool for new employees
 - e. Employees will need to be educated on the change in insurance plans
 - f. Educate staff how to use insurance properly and wisely

- g. The post 65 retirees served our District well and the committee needs to look at the pros and cons for them as well
 - h. The Sweetwater Education Association Membership understands the District will not be able to keep the grandfathered plan
 - i. Advantages and disadvantages of having a \$700 and \$1,000 deductible plan were discussed
 - j. If a spouse has insurance offered to them through their employer, should they be allowed on the District's plan
 - k. Should post 65 employees be allowed to maintain the same plan current employees have
 - l. Educate retirees on what options they have on the open market
 - m. Education should not be a "shot gun" approach and should be released to policyholders in phases, not all at once
 - n. Leave spousal rate alone for now, especially in light of other possible changes
6. Conclusion
- a. All Committee Members agreed to have Scot Duncan run the numbers to see possible savings with adjustments to some of the options