

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT
AGENDA STATEMENT

No. 9 a

MEETING OF October 23, 2019

Reviewed By

Item Title:

NEW BUSINESS

Motion to adopt the recommendations of the
Health Insurance Task Force

Superintendent
 Finance
 Health Insurance Task Force

SUBMITTED BY Katie Jo Parrott, Business Manager

Contact Person/Telephone

APPROVED FOR SUBMITTAL

Katie Jo Parrott 247-2116
Name Phone

Beth Lange

SUMMARY STATEMENT: The Board is being asked to formally adopt the recommendations of the Health Insurance Task Force.

BACKGROUND:

As part of the negotiation process, KGBSD and KEA entered into an MOA to form a Health Insurance Task Force, signed and executed on November 30th, 2018. The Task Force was tasked with exploring "creative and new solutions" to "maintain approximate level of health insurance coverage while lowering overall health insurance costs to the district and employee(s)."

RECOMMENDATION:

Adoption of the Task Force recommendations.

FISCAL NOTE

N/A EXPENDITURE
REQUIRED \$ _____

AMOUNT
AVAILABLE \$ _____

EXHIBITS ATTACHED

- Summary of Task Force Recommendations

RECOMMENDED ACTION:

"I move that the Board of Education adopt the recommendations of the Health Insurance Task Force."



KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT

Health Force Task Force Summary of Recommendations

Background

As part of the negotiation process, KGBSD and KEA entered into an MOA to form a Health Insurance Task Force, signed and executed on November 30th, 2018. The Task Force was tasked with exploring “creative and new solutions” to “maintain approximate level of health insurance coverage while lowering overall health insurance costs to the district and employee(s).”

Members to the Task Force were appointed in January 2019 and the first meeting was held February 25th, 2019. Over several months, the Task Force gathered and reviewed information with the assistance of the district’s insurance brokers at USI, Paula Scott and Matt Lewis, and district Business Manager, Katie Parrott.

Findings

A comparative analysis of existing plan options, district’s historical claims data, and quotes from other plan options was conducted. Specifically, the Task Force looked at a fully insured plan option from Aetna, a three-tiered high, medium, and low deductible plan from Meritain, and a plan option from the Public Education Health Trust. These plan options were evaluated for program offerings, out-of-pocket and deductible expense to employees, long-term cost savings to the district, and ability of decision-making and autonomy in managing the plan.

As a result, the Task Force came to the following conclusions regarding the district’s health insurance program: the overall cost of the district’s health insurance program is primarily driven by employee claims, and not by expenses of the use of third party administrators or broker fees. A thorough review of alternative plan options did not provide approximate level of benefits for comparable cost to employees, nor did a change in cost to the district align with maintaining the same level of benefits for users. Ultimately, employees would incur a short-term increase in cost in order for the district to achieve a potential long-term savings (more than three years in the future) with the added side effect of compromising the Borough’s health insurance pool should the district withdraw from the pool for another option.

Essentially, the Task Force found that in order to bring down the cost of health insurance, the overall health and well-being of the users should be addressed based on their unique medical needs. Current offerings did not include targeted population management strategies that could assist in this area. Additionally, engagement in the cost-saving program options and the new Wellness Program to reduce cost to individuals’ deductibles while improving health and education is key.

RECOMMENDATIONS

In light of these conclusions, the following recommendations are hereby respectfully submitted to the Board for review:

- No change recommended to current plan
 - Cost of pulling out of current plan outweighed any benefit: no short-term benefits to members of changing plans, and no long-term guaranteed benefit to the district
- Active management of claims & population based on needs
 - Analysis of claims history & data to identify specific cost drivers
 - Designate staff to be tasked with this on-going duty
- Implement targeted strategies/options/programming to address identified needs (in progress)
 - RX Smart Savings
 - Livongo for Diabetes Program
 - Livongo for Hypertension Program
 - Outreach to local providers for innovative solutions specific to employee needs
- Increased education and engagement of members in existing program offerings
 - Teladoc
 - Bridgehealth
 - Wellness Program
 - Plan and execute a district wide wellness and health education campaign that encourages engagement with existing wellness program
 - Develop health improvement-related initiatives and activities for staff districtwide
 - Review current wellness policy for updates
- Evaluate role of the Insurance Committee and make recommendation to the Board for any changes
 - Possible policy and committee charter update

Task Force Members

- Chair, Tom Heutte (Board Member)
- Bridget Mattson (Board Member)
- Leslie Becker (Board Member)
- Sarah Campbell (KEA)
- Michael Knight (KEA)
- Richard Collins (KEA)
- Fritz Peters (IBEW)
- Paula Scott (Insurance Broker USI)
- Matthew Lewis (Insurance Broker USI)