

Monroe County Community School Corporation
BOARD OF SCHOOL TRUSTEES
Work Session – September 1, 2009

MEMORANDA

The Board of School Trustees of the Monroe County Community School Corporation met in work session at 5:30 p.m. on Tuesday, September 1, 2009, at Bloomington High School South, which is located at 1965 S. Walnut Street, Bloomington, Indiana.

Board members present: Jeannine Butler, Valerie Merriam, Lois Sabo-Skelton, Vicki Streiff and Sue Wanzer

Board members absent: John Hamilton and Jim Muehling

Also present: J. T. Coopman, Superintendent; Tim Thrasher, Comptroller; Janet Tupper, Administrative Assistant; and the following members of the MCCSC Insurance Committee: Sandi Brinson, Director of Human Resources; Doug Johnson, Insurance/Benefits Consultant; Linda Richardson, MCEA President; Paul Farmer, BHS South Teacher; Myra Farmer, Tri-North Teacher; Mark Schenk, Highland Park Teacher; Jeff Henderson, BHS North Principal; Randy Tackett, AFSCME President; Norma Owens, AFSCME Officer.

The meeting was called to order at 5:30 p.m. and President Butler stated that the purpose for this meeting was to discuss the idea of a Health Care Clinic for employees.

Health Care Clinic – Following discussion of this topic on August 26, Board members had been asked to send specific questions to Mr. Thrasher. Mr. Thrasher distributed a list of the ten (10) questions submitted as well as responses to those questions (a copy is attached to and made a part of the official record of this meeting).

Following Board discussion, Ms. Wanzer suggested that a survey of all MCCSC employees would be helpful to support these efforts and to help Board members evaluate the idea. In response to other questions, Ms. Richardson said three years ago the insurance committee started looking at alternatives but the possibility of a health care clinic evolved some eight or nine months ago. Mr. Thrasher said there is room at Fairview for a clinic but the committee felt the location on Miller Drive is more centrally located and would provide more confidentiality and convenience for its use.

Ms. Wanzer said this would be changing the way we provide health insurance for employees and the possibility of leveling that out – the implications for a clinic and health program. She does not want to lose the leveling out and what we do for part-time employees. She noted that some people do not want to join the plan because of cost. She said it may mean cutting other things but is worth a conversation. Dr. Butler suggested that it is unlikely that the Board will make a decision within twenty days.

As discussion continued, Mr. Thrasher responded that if the clinic is not open and people need immediate service they would do whatever they would have done without the clinic. Ms. Richardson pointed out that when you are sick you usually wait awhile to see if you get better and that would give employees an opportunity to make an appointment with the clinic.

Mr. Farmer said another example may be a child with a concussion would go to the doctor but if he has a sore throat there would be no need to go to the doctor but would see a nurse practitioner or a physician's

assistant. He said a teacher asked that question and he assured her that the clinic would not replace family physicians. He added that maybe we need to look at keeping the clinic open on Saturday or Sunday for more flexibility.

Ms. Merriam wondered if the committee consulted with Dr. Laughlin (school physician). In response to other questions, Mr. Henderson said the other side is that if people currently are not covered by the insurance plan at all they are not seeing anyone. He said if we could offer an opportunity for people to be on an affordable plan that is a bigger concern from his perspective. Mr. Thrasher added that he is concerned about continued cost increases for employee insurance and that is why they want to develop a lower cost and lower benefit option. Employees having trouble affording the family plan can get in this plan and be seen by a physician for free. He added that the physician may refer the patient if the need is beyond his/her expertise. A discussion of the qualifications needed by physicians providing services at the clinic followed and Ms. Merriam noted that all physicians now have post medical school training.

Mr. Johnson explained that we have a lot of bus drivers that work five hours a day and cannot afford insurance. Likewise, part-time food service and other employees cannot afford insurance. He said with a higher deductible and a clinic, they can participate in the program. He noted that the premium for a family insurance plan costs employees about \$500 per month and this would be a helpful option for them. Ms. Owens said she has tried to do a survey of bus drivers and food service employees to see how many would be interested. Dr. Butler said she thinks conducting a survey is a critical issue.

Dr. Sabo-Skelton said she is thinking in terms of what we offer all employees and the Board has talked about this for a long time, trying to help people at various levels. She said this is an excellent idea and she would like to work to see if there is something we can offer. She said her question is what kind of chance we are taking financially when we do not know what will happen. She agreed with Dr. Butler in that she cannot make a decision in twenty days to support or not support the proposal. She wants to look at Fairview and at Miller Drive. She said we need this but she needs to be more comfortable and needs to know exactly how we will do it.

Ms. Wanzer asked if there is some flexibility with the timeframe. Mr. Thrasher said we have a problem with a premium increase coming January 1, 2010 and the committee hopes to offer some higher deductible/higher maximum out of pocket plan options. He added that it must be negotiated with employee groups. He said the committee is interested in making that happen and the presence or absence of a clinic will influence the plan design options the committee will recommend. Because of the expected 18% increase in premiums for the current plan, he believes we need to offer lower cost plan options. Plan design changes will require communication and education of staff members and must be in place by January 1 because deductibles and maximum out-of-pocket co-payments are tracked on a calendar year basis. He thinks the clinic could wait until March or April and they could consider another open enrollment period – the next open enrollment period is in November but another open enrollment could be planned for March (example). Mr. Johnson added that the committee wanted to have the clinic open by April 1 – during the school year – so that everyone will be aware of the clinic and it will be easier to communicate with and educate staff members because they are working. He said we probably have a window of four to six weeks to make that happen. The clinic is key to determining what options will be available.

Given Board comments, Dr. Coopman suggested the clinic could open next fall, giving time to educate the staff. Mr. Johnson said that probably would be okay. He added that the committee has been meeting twice a month to try to push things along. He said there is no guarantee it will lower premiums but options associated with the clinic may decrease the overall liability of the plan. He said in terms of long-term planning, it is all linked in various ways.

Ms. Wanzer said if someone will join the group because of lower premiums and a higher deductible and a free clinic, she supports this. She asked if the decision could be made in October; she hears Board members say they are not ready to make a decision in two weeks. Dr. Butler said she would not want to set a particular meeting date; she wants to feel we are ready. She asked if it would be better to see what the Federal Government will do. She wondered if a national health plan is in place will that change the climate of health insurance. She said if we sign on with Infinity it is for three years and if the government moves forward we are stuck. Ms. Merriam read the agreement to be a 'one-year evergreen' contract. Mr. Johnson confirmed it is typically a three-year agreement but re-confirmed annually. Ms. Richardson said committee members feel we need to make sure we are ready to make a three-year commitment – they do not want to think in terms of one year. She said if we see something we do not need, we could get out.

In response to questions, Mr. Thrasher said the total premium cost now is over \$12,000 per year for the family plan and it will go up this year. He said we are struggling with how much the school corporation can pay. He said Anthem will administer the plan we adopt; the increasing the deductibles and maximum out of pocket co-payments are probably the most effective ways to lower plan costs. Dr. Coopman added that the committee explored the potential of increasing participation because of the lower costs resulting from higher deductibles and maximum out-of-pocket payments. He asked if the committee looked at higher contributions by the school corporation. Mr. Johnson said the committee did not consider higher MCCSC contribution levels because such increases are subject to the collective bargaining process. The employee costs were examined using the worst case scenario that there would be no increase in the MCCSC's contributions.

Responding to Dr. Butler's question regarding health care changes at the federal level, Mr. Johnson indicated most of the bills flowing out of the House of Representatives do not make any change before 2013. Regarding the 2010 renewal with Anthem, Mr. Johnson said we were successful in negotiating a reduction in the administrative fee with Anthem. He said in addition Anthem offered a discount guarantee; not knowing what negotiations with hospitals, etc. will do in the next 3 years. He said the committee interviewed different carriers and held lengthy meetings with vendors.

Dr. Butler said at the last meeting Dr. Sabo-Skelton and Ms. Merriam said they wanted to make visits to talk with Superintendents or other Board members to see how the clinic is affecting them. She said they also want to see clinics in place. She said Ms. Streiff may also wish to go along for a visit. She asked Mr. Thrasher and Mr. Johnson to work with these Board members to arrange for a visit to a clinic and to talk to people involved.

Ms. Wanzer said her question was answered in that it seems that more people could take advantage of the health plan. She said she does not have time to get information this committee has spent weeks gathering. She said she is willing to trust their information and our (the Board's) obligation is to make sure there is no fiscal impact to our school corporation. Dr. Butler reiterated that she would like to do a survey – possibly with Survey Monkey – of the school corporation employees. Ms. Merriam said she is still hearing that premiums will probably go up even with higher deductibles.

In response to additional questions posed by Ms. Merriam and Dr. Butler, Mr. Henderson said he thinks the committee is made up of every employee group in the corporation and all of the members understand the fiduciary responsibility they carry just as the Board does. He said he does not think the committee would be making this recommendation if the members did not feel like this is beneficial to the corporation and employees. He said this is probably the most progressive opportunity for including people who currently do not have health care and to help try to control the skyrocketing costs. He did not think the committee members would be here as a group if they did not believe this is a worthwhile option for all concerned.

Dr. Sabo-Skelton reiterated that she wants to make sure this works. Mr. Thrasher responded that they are talking about \$350,000 to \$375,000 or about 3% of the total plan costs for a clinic.

Board members thanked the Insurance Committee for its work and expressed appreciation to those who attended the meeting for this discussion.

Adjournment – The meeting was adjourned at 7:00 p.m.

Jeannine Butler, President

Valerie Merriam, Vice President

ABSENT

Victoria I. Streiff, Secretary

John Hamilton, Assistant Secretary

ABSENT

Jim Muehling, Member

Lois Sabo-Skelton, Member

Susan P. Wanzer, Member