

NEW MILFORD BOARD OF EDUCATION
New Milford Public Schools
50 East Street
New Milford, Connecticut 06776

BOARD OF EDUCATION
SPECIAL MEETING NOTICE

DATE: December 6, 2018
TIME: 7:00 P.M.
PLACE: Sarah Noble Intermediate School Library Media Center

RECEIVED
TOWN CLERK
2018 DEC -4 P 6:00
NEW MILFORD CT

AGENDA

New Milford Public Schools Mission Statement

The mission of the New Milford Public Schools, a collaborative partnership of students, educators, family, and community, is to prepare each and every student to compete and excel in an ever-changing world, embrace challenges with vigor, respect and appreciate the worth of every human being, and contribute to society by providing effective instruction and dynamic curriculum, offering a wide range of valuable experiences, and inspiring students to pursue their dreams and aspirations.

1. CALL TO ORDER
 - A. Pledge of Allegiance
2. SPECIAL JOINT MEETING OF THE TOWN COUNCIL, BOARD OF EDUCATION AND THE BOARD OF FINANCE
 - A. Presentation and discussion regarding town and school district health insurance**
3. DISCUSSION AND POSSIBLE ACTION BY THE TOWN COUNCIL
 - A. Discussion and possible action regarding adoption of a Memorandum of Understanding
4. RECESS AND RELOCATION TO SNIS LMC Room 123D
5. PUBLIC COMMENT

An individual may address the Board concerning any item on the agenda for the meeting subject to the following provisions:

 - A. A three-minute time limit may be allocated to each speaker with a maximum of twenty minutes being set aside per meeting. The Board may, by a majority vote, cancel or adjust these time limits.
 - B. If a member of the public comments about the performance of an employee or a Board member, whether positive, negative, or neutral, and whether named or not, the Board shall not respond to such comments unless the topic is an explicit item on the agenda and the employee or the Board member has been provided with the requisite notice and due process required by law. Similarly, in accordance with federal law pertaining to student confidentiality, the Board shall not respond to or otherwise discuss any comments that might be made pertaining to students.
6. DISCUSSION AND POSSIBLE ACTION BY THE BOARD OF EDUCATION
 - A. Discussion and possible action, by the Board of Education, regarding negotiations with respect to collective bargaining health insurance**
7. ADJOURN

** May be eligible for executive session



New Milford

State Partnership Plan

High Deductible Healthcare Plan vs. State Partnership Plan

	Medical	
	HDHP	SPP
Deductible (Single/Family)	\$2,000 /\$4,000	\$350 /\$1,400 (Non HEP)
Coinsurance	100%	100%
Out of Pocket Maximum (Single/Family)	\$4,000 /\$8,000	\$2,000 /\$4,000
Preventive Care	No charge	No Charge
Primary Care Office Visit	\$0 after deductible	\$0 / \$15 Copayment
Specialist Office Visit	\$0 after deductible	\$15 Copayment
Lab & X-Ray Services	\$0 after deductible	\$0 Copayment
Lab & Radiology Services (Adv)	\$0 after deductible	\$0 Copayment
Hospital – Inpatient	\$0 after deductible	\$0 Copayment
Hospital – Outpatient	\$0 after deductible	\$0 Copayment
Emergency Room	\$0 after deductible	\$250 Copayment
Urgent Care	\$0 after deductible	\$15 Copayment

	Pharmacy	
	HDHP	SPP
Tier 1	Copayment after deductible	\$5 / \$10 Copayment
Tier 2	Copayment after deductible	\$25 Copayment
Tier 3	Copayment after deductible	\$40 Copayment

HEP Plan Penalties

- \$100/month contributions
- \$350 / \$1,400 deductible
- PCP copayment not waived

HEP Requirements (age appropriate)

- Preventive Physical
- Vision Exam
- Dental Cleanings
- Cholesterol Screening
- Breast Screening
- Cervical Cancer Screening
- Colorectal Cancer Screening

Chronic Requirements

- Diabetes, Asthma, COPD, Heart Disease, Hyperlipidemia, Hypertension

What is a high deductible health plan (HDHP)?

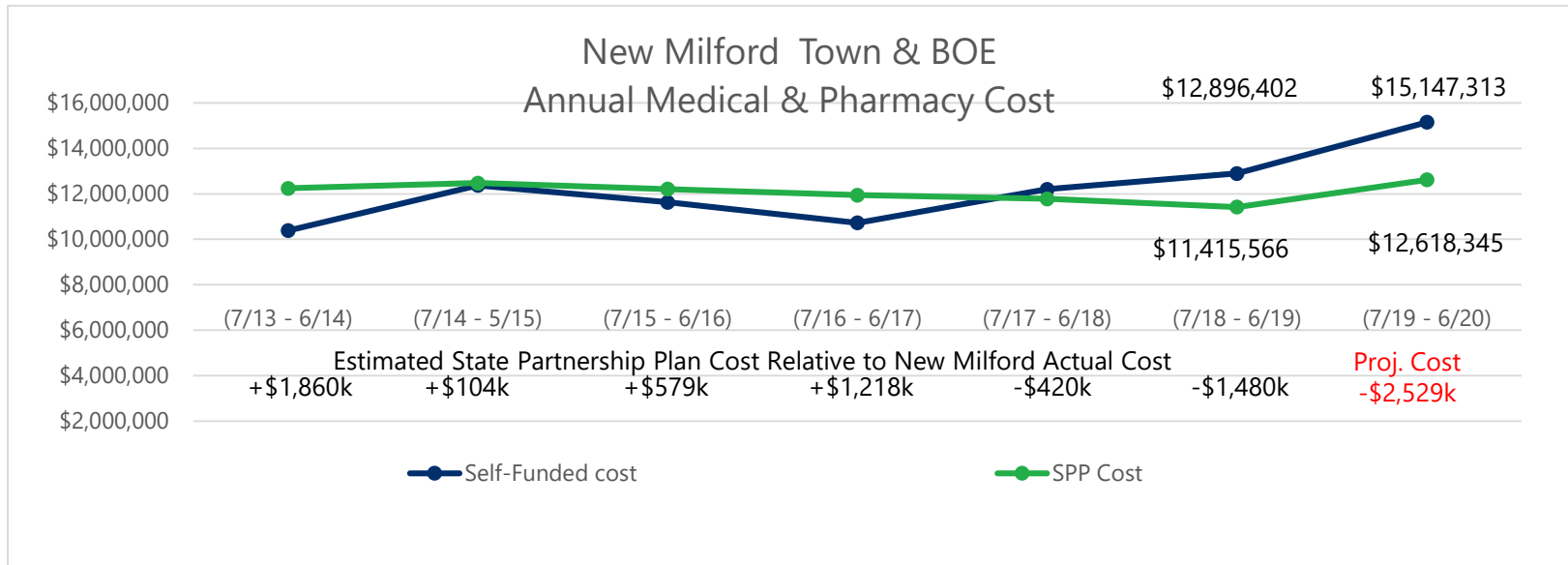
- A Medical/Rx plan with an up-front deductible that is applicable to all eligible medical and pharmacy expenses with the exception of preventive care.
- High deductible health plans (HDHPs) can be combined with a Health Savings Account (HSA) if you meet the eligibility requirements.
- The deductible is the annual amount that each individual, two-person or family unit must meet for medical and pharmacy expenses before the insurance plan begins to pay.
 - “Family deductible” is defined as employee plus one or more dependents covered under the medical plan.

What is a Health Savings Account?

- Member owns the account
- The HSA is PORTABLE and follows the member if they retire or change Jobs
- HSA Account Rollover:
 - Both the contributions and earnings in an HSA carry over from year to year
 - No “use it or lose it” feature
 - No overall fund maximum
- HSA Tax Savings Features:
 - Pre-tax contributions along with tax-free growth of earnings
 - Payment for services made with pre-tax dollars
 - Note: Withdrawals for non-qualified expenses taxed as ordinary income and subject to 20% excise penalty (no penalty starting at age 65)
- Can only contribute to an HSA if enrolled in a qualifying HDHP.

Historic Costs Comparison

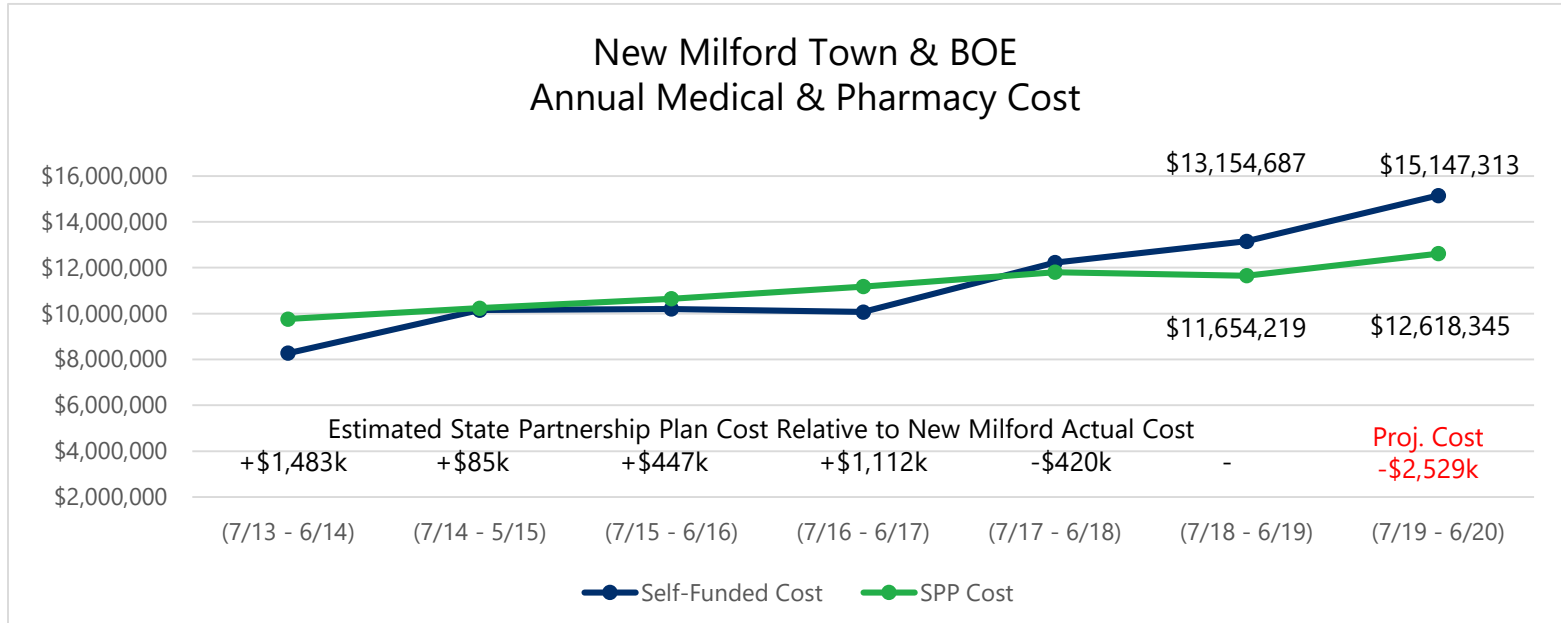
New Milford vs. State Partnership Plan



- Self-funded costs include Health Savings Account funds provided by the BOE with enrollment in an HDHP as of July 2015.
- Self-funded cost from the (7/18 – 6/19) plan year are annualized based on (7/18-9/18) data.
- Self-funded cost for the (7/19 - 6/20) year are based on 27 months of experience, Cigna trend and fixed costs.
- New Milford’s average self-funded increase is 1.5% lower than Cigna’s combined trend factor (7.0% vs. 8.5%).
- SPP annual costs are based on applicable premium rates applied to average enrollments from each plan year.
- SPP (7/19 – 6/20) projected cost is based on (7/18 – 6/19) rates adjusted by the highest renewal increase from the six years the SPP program (8% Active / 10% Retiree).

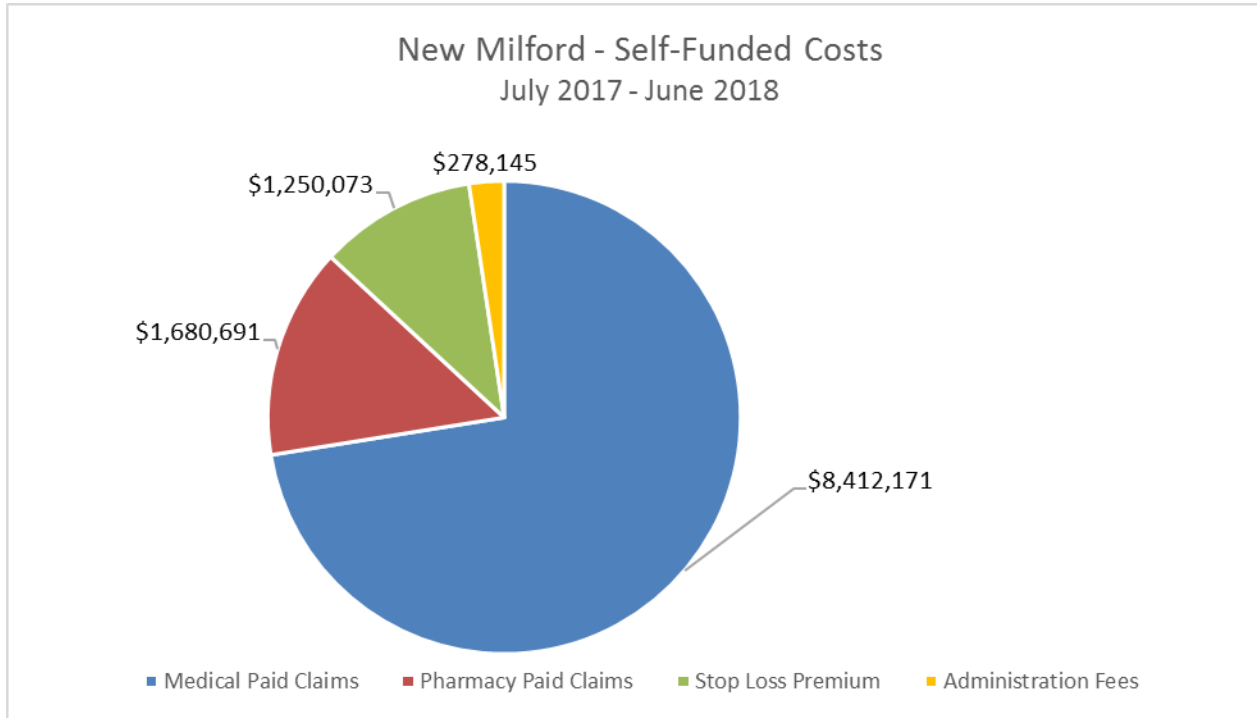
Historic Costs Comparison

New Milford vs. State Partnership Plan (adjusted to constant enrollment)



The prior chart creates the illusion that Medical & Pharmacy costs may not have increased over the past six years, which is the result of a steady decline in new Milford's Medical plan enrollment (2014 -3%) (2015 - 6%) (2016 -7%) (2017 -7%) (2018 -2%). For this reason we have created a second chart, which adjusts costs for each plan year to an enrollment level based on the latest census file (586 employees).

Self-Funded Cost Components



Medical claims account for 72% of total cost.

Pharmacy claims account for 14% to total cost and that contract is negotiated every year.

Stop Loss premium accounts for 11% of total cost and that coverage is marketed every year.

Cigna's administration fee accounts for 2% of total cost.

July 1, 2019 Renewal Considerations

- Self-funded Medical/Pharmacy costs are projected to increase +17% or \$2.2 m
 - Actual cost relative to projected in the past three plan years (+2.1%, -8.0%, 0.0%)
- State Partnership Plan is projected to reduce current cost by \$250,000
 - Assumes self-funded plan would continue to fund \$500,000 in Health Savings Accounts
 - State Partnership Plan rates for 7/1/19 will not be available until April 2019
 - Health Enhancement Program (HEP)
 - Current self-funded Dental plans can continue with direct reporting to Care Managed Solutions
- Union Negotiations if moving to SPP
 - Determine application of rates and set contribution
 - Authorization to exit the State Partnership Plan and exit strategy
- Timeline
 - Preliminary budget set in December
 - Preliminary communication of plan or carrier change January – March
 - Employee contributions finalized by April 1st
 - Open Enrollment finalized in May

RISK MANAGEMENT • EMPLOYEE BENEFITS • RETIREMENT SERVICES

Our Mission | To be the worldwide value and service leader in insurance brokerage, risk management, employee benefits and retirement services

Our Goal | To be the best place to do business and to work

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