

DIXON PUBLIC SCHOOLS #170

"A Place to Grow"

www.dps170.org

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Margo Empen, Superintendent
Doug Stansford, Asst. Superintendent
Marc Campbell, Business Manager

Date: April 11, 2025
To: Board of Education Members
From: Margo Empen, Superintendent & Marc Campbell, CSBO
RE: Board Action: Implement a High Deductible Health Plan with Health Savings Account

In March 2025, the Board of Education was informed that the insurance committee had come to an agreement to move forward with a High Deductible Health Plan (HDHP) with a Health Saving Account (HSA). Over the past couple of years, the Board has been informed of rising health insurance costs and the impact on the operations of the District (See page #2 of memo).

Section 13.9 of the DEA Collective Bargaining Agreement outlines the parameter of the Insurance Committee which contains members from various groups within the District including: DEA, DESPA, Non-Certified Non-Union, Administration, LCSEA Members, and the Board of Education. Section 13.9 states *"The committee will meet at least once every quarter with the purpose to: obtain and review documents necessary to monitor the health plan such as renewal rate projections; explore additional types of insurance coverage; and make recommendations to the Board regarding health insurance plans and coverage"*.

At the March 4, 2025 Health Insurance Committee meeting, the committee agreed to continue with the recommendation to implement a HDHP.

Below is a general timeline of actions for implementation...

- March 2025: Insurance Committee recommendation to move forward
- March 2025: Board of Education notification
- April 2025: Begin staff education of program components and general information
- **April 2025: Request Board of Education approval of HDHP-HSA implementation-**
- April 2025: DEA-DESPA Bargaining Groups negotiations of a MOU
- July 2025: Implementation in accordance with MOU negotiations

Included in your packet

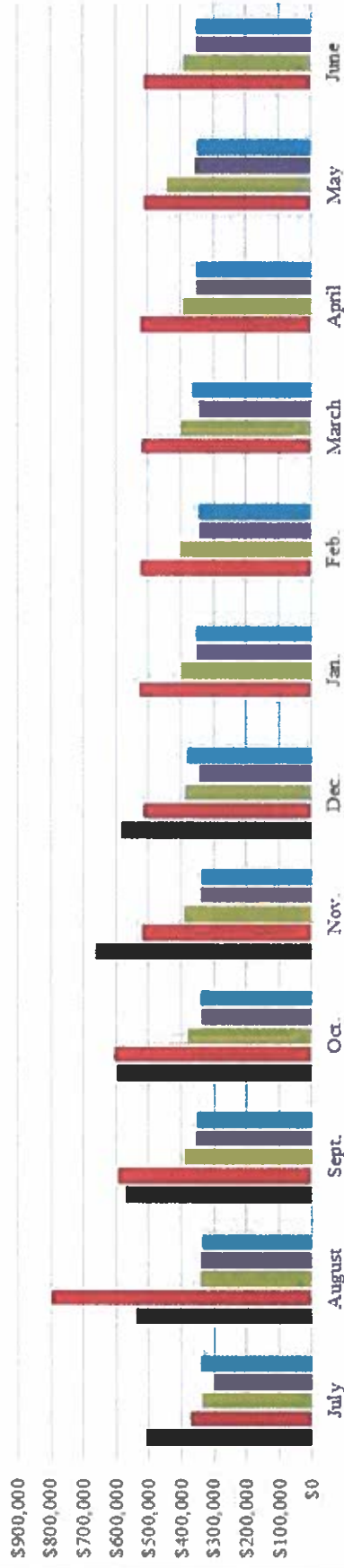
- 1) Summary of Health Insurance Payments for the past 4 years
- 2) HDHP-HSA Presentation from Marsh-McClennon presented to the Health Insurance Committee

It is the recommendation of District Administration, in cooperation with the Insurance Committee, that the Board of Education approve the implementation of a HDHP-HSA insurance option.

Dixon Public Schools, in cooperation with the community, will provide students with a comprehensive educational program that produces well-educated, self-sufficient, and involved citizens.

Dixon Unit School District #170 - 4 Year Summary of Health Insurance Payments

FY 25 (Black) vs FY 24 (Red) vs FY 23 (Green) vs. FY 22 (Purple) vs FY 21 (Blue)
Insurance Expenses



	FY 25 - Payment	FY 24 - Payment	FY 23 - Payment	FY 22 - Payment	FY 21 - Payment
July	\$ 507,024.09	\$ 372,644.06	\$ 333,937.72	\$ 298,652.99	\$ 337,497.94
August	\$ 536,805.91	\$ 795,158.48	\$ 339,606.06	\$ 339,050.20	\$ 334,555.54
Sept.	\$ 568,040.53	\$ 593,485.31	\$ 384,641.40	\$ 355,903.20	\$ 350,189.44
Oct.	\$ 596,395.98	\$ 606,844.50	\$ 378,949.33	\$ 337,364.99	\$ 340,407.59
Nov.	\$ 663,081.00	\$ 518,790.77	\$ 389,176.76	\$ 340,528.02	\$ 335,847.59
Dec.	\$ 582,801.71	\$ 514,872.42	\$ 386,906.44	\$ 342,489.19	\$ 380,211.20
Jan.	\$ -	\$ 526,246.88	\$ 396,962.97	\$ 349,299.00	\$ 351,333.61
Feb.	\$ -	\$ 521,607.15	\$ 400,488.47	\$ 344,431.13	\$ 345,217.68
March	\$ -	\$ 520,604.31	\$ 397,997.12	\$ 344,988.32	\$ 362,579.13
April	\$ -	\$ 521,624.53	\$ 388,511.41	\$ 349,655.07	\$ 351,648.62
May	\$ -	\$ 512,846.17	\$ 442,906.28	\$ 354,424.56	\$ 349,005.59
June	\$ -	\$ 513,247.64	\$ 390,831.75	\$ 350,331.59	\$ 352,176.34
Totals	\$ 3,454,149.22	\$ 6,517,972.22	\$ 4,630,915.71	\$ 4,107,118.26	\$ 4,190,670.27
			(FY 23 Used \$1.0 million reserve)		
		53%			
	(% to FY 24)				



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DPS HSA Program

Introductory Discussion

01/10/2025

Your future is limitless.™

Agenda

- 1 High Deductible Health Plan
- 2 Health Savings Account
- 3 Rollout to Employees
- 4 Plan Migration
- 5 Wellness

High Deductible Health Plan

Plan design and rates

- 2025 deductible and out-of-pocket maximum shown
- Likely to increase in 2026 per IRS regulation

Benefits	HDHP 1650 16,150		HDHP BCO 3300 29,350			HDHP 3500 16,180	
	In Network	Out Network	In Network	Preferred	Out Network	In Network	Out Network
Provider Network	PPO		BCO (Tier 1)	PPO (Tier 2)	Non-Network	PPO	
Lifetime Plan Maximum	Unlimited		Unlimited			Unlimited	
Individual Deductible	\$1,650		\$3,300	\$4,500	\$6,000	\$3,500	\$7,000
Family Deductible	\$3,300		\$6,600	\$9,000	\$12,000	\$6,750	\$14,000
Embedded or Non-Embedded Ded	Aggregate		Embedded			Aggregate Ded/Embedded OPX	
Coinurance	90%	70%	100%	80%	50%	80%	60%
Individual Out of Pocket	\$3,300		\$3,300	\$6,000	\$12,000	\$6,750	\$19,900
Family Out of Pocket	\$6,600		\$6,600	\$12,000	\$24,000	\$12,900	\$39,800
Inpatient Hospital	90% after deductible	70% after deductible	100% after deductible	80% after deductible	50% after deductible	80% after deductible	60% after deductible
Preventative/Well Child Care	No Charge	70% after deductible	No Charge		50% after deductible	No Charge	60% after deductible
Physicians Services	90% after deductible	70% after deductible	100% after deductible	80% after deductible	50% after deductible	80% after deductible	60% after deductible
Specialist Copay	90% after deductible	70% after deductible	100% after deductible	80% after deductible	50% after deductible	80% after deductible	60% after deductible
Emergency Room	90% after deductible		100% after deductible			80% after deductible	80% after deductible
Rx Annual Out of Pocket (Indiv/Family)	Included in Medical OPX		Included in Medical OPX			Included in Medical OPX	
Retail Rx Benefit	80% after deductible	Not Covered	100% after deductible	100% after deductible + 75% after deductible		75% after deductible	Not Covered
Health	Rate		Rate			Rate	
Employee	\$792.00		\$744.00			\$717.00	
Employee + 1	\$1,925.00		\$1,566.00			\$1,538.00	
Employee + 2 or more	\$2,257.00		\$2,133.00			\$1,735.00	

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3

High Deductible Health Plan Comparisons

HDHP 1650

- HDHP plan with the lowest deductible
- Aggregate Deductible and Out of Pocket Maximum: The entire family deductible and out of pocket maximum will need to be met before the plan will begin to pay.

HDHP BCO 3300

- Plan utilizes a 3 tier network
 - Tier 1: Blue Choice Options (BCO). Member pays the least out-of-pocket.
 - Tier 2: PPO. Member pays more out-of-pocket than BCO, but still considered in-network.
 - Tier 3: Out-of-Network. Member pays the highest out-of-pocket cost and may be subject to balance billing.
- Will require additional education due to the 3 tier network
- Embedded Deductible and Out of Pocket Maximum: When a member reaches their individual deductible and out of pocket maximum, the plan will pay for that member until the overall deductible / out of pocket maximum is met

HDHP 3500

- HDHP plan with the highest deductible and out of pocket maximum
- Aggregate Deductible and Embedded Out of Pocket Maximum: The entire family deductible will need to be met before the plan will begin to pay. When a member reaches the individual out of pocket maximum, the plan will pay for that member until the overall out of pocket maximum has been met.

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4

Health Savings Account

Contribution Guidelines

Minimum deductible

Maximum out-of-pocket limits

HSA contribution limits

HSA catch-up contributions

(Age 55 and older)

2025	
Self-only plans	Family plans
\$1,650	\$3,300
\$8,300	\$16,600
\$4,300	\$8,550
\$1,000	\$1,000

Health Savings Account

General information

Health Savings Account (HSA)	
Eligibility	Employees with a high-deductible health plan (HDHP)
Ownership	Employee owned
Health Insurance Requirement	Qualified HDHP required
Contributions	Employer, employee, or both
Annual Contribution Limits	2025 IRS annual limits: Single \$4,300, Family \$8,550 Catch-up contributions (age 55+): \$1,000
Availability of Funds	Up to the accumulated amount
Funds Rollover	Allowed
Portability	Fully portable, can take to a new job or into retirement
Qualifying Expenses	Determined by the IRS; see https://www.irs.gov/publications/p502
Nonqualified Withdrawals	Yes, but taxable, plus 20% penalty No penalty after age 65, death, or disability
Combine with Health FSA	Yes, must be a Limited Purpose FSA
Financial Partner	Required

Health Savings Account

Getting started

- Will the district “sponsor” an HSA or will you require employees to open HSAs on their own?
 - Will payroll contributions be allowed?
 - If employer-sponsored, HSA/FSA smartcard?
 - MMA vetted vendors: HealthEquity, Associated Bank, EBC, Ameriflex
- Determine employer contribution strategy
 - One-time incentive in first year?
 - Ongoing contributions for HDHP enrollees? Annual, Bi-Annual, Quarterly?
- Implement employee communication strategy

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Wellness & HSA Recommendation Physician Affidavit Form

- Goal is to connect members with their primary care provider
- Member visits PCP, completes Physician Affidavit form, and submits
- Provide incentive for employees who participate
 - Additional HSA contribution
 - Can offer wellness incentive for HSA participants only or open it up to all members
 - If opening to all members, cash or gift card could be offered in lieu of HSA contribution
- Can build out wellness program from there if desired
- MMA Wellness Team can support initiatives

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COMPLETE YOUR PHYSICIAN AFFIDAVIT FORM

WHY SHOULD YOU COMPLETE?

- Meeting with your physician for an annual physical can help you identify any underlying conditions and encourage you to take action before they escalate
- By completing this form, you will earn a \$250 HSA contribution.

HOW TO FIND A DOCTOR NEAR YOU:

Use the Find Care tool on the Sydney Health app and [askthem.com](#) to find a provider in your plan's network.

- 1 Go to [askthem.com/indiana](#)
- 2 You can look for a doctor by using either:
 - a Search as a member: Log in with a user account or with the member number or
 - b Search as a guest: Select a plan or opt out by all plans and networks.
- 3 Once you log in, select the Find Care option on the home page.
- 4 Next, choose who you would like to see. You can select a doctor by specialty or use the doctor's name to find a doctor nearby or use the doctor's name to find a doctor nearby.



PHYSICIAN AFFIDAVIT

As part of the [Sydney Health](#) program, we encourage you to complete this annual physical exam with your primary care physician. As a requirement, if you are enrolled in the [Sydney Health](#) plan, this form is available to you in the [Sydney Health](#) app. To complete this form, you must submit this form to request [Sydney Health](#) will be accepted. Complete and submit this form to request [Sydney Health](#) will be accepted.

Annual exams completed between 1/1/2025 - 8/30/2025 will be accepted.

Submit the completed affidavit by HR by 8/30/2025.

Participant Information

Name	Date of birth
Address	City
Phone Number	State
Primary Care Physician/Provider	Physician Signature
Physician Signature	Physician Signature

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HDHP Plan Migration Considerations

- Providing an employer HSA contribution is strongly recommended
 - Incentivizes employees to enroll in the plan
 - Assists HDHP plan members with costs they may incur in the beginning of the plan year before their own contributions begin to accumulate into the account
- Consider driving plan migration by...
 - Revise plan offerings
 - i.e. new hires are offered HDHP plan only, new hires are offered HDHP only until 5 years of employment, etc.
 - One-time additional lump sum HSA contribution from the district for the first-year roll out
 - Additional employer HSA contribution for engaging in wellness initiative
 - Adjusting employer premium contribution strategy

HDHP and HSA Rollout to Employees

- What messaging works best for employees?
 - No cost: Email, Flyers, QR codes, in-person presentations, virtual presentations, microsite
 - Low cost: Jellyvision (ALEX), iNGAGED mobile app
- What is the district's plan migration goal?
 - Incentivizing plan migration

Sample Timeline

Phase	Item	Target Date
Intro to HDHP and HSA	Email campaign	Feb – May
	In-person presentation(s)	Late Apr
	Presentation recording	May
	Quick-hit videos	Feb – May
Wellness Rollout	Meet with wellness team	Mar
	Finalize strategy	Apr
	Introductory presentation	Sep
	Flyer and QR code campaign	Sep – Nov
Open Enrollment	Email Campaign	Aug – Nov
	In-person presentation(s)	Oct
	Presentation recording	Oct
	Quick-hit videos	Aug – Nov

What's Next?

- Finalize rollout strategy and timeline
- Schedule call with wellness
- Finalize wellness strategy (if applicable)
- Obtain employer-sponsored HSA proposals (if applicable)

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