



# WOODBIDGE SCHOOL DISTRICT

40 Beecher Road – South  
Woodbridge, Connecticut 06525

Jonathan S. Budd, Ph.D. – Superintendent

## MEMORANDUM

TO: Woodbridge Board of Education

FROM: Jonathan S. Budd, Ph.D., Superintendent

DATE: January 13, 2022

RE: Investigation of Medical Insurance Options 2022/23

At this past week's meeting of the Finance Committee, options for reducing medical insurance costs were discussed, including planned next steps. Details will now be shared with the full Board for discussion.



# Options for Reducing Medical Insurance Costs

Woodbridge Board of Education

January 18, 2022

Jonathan S. Budd, Ph.D., Superintendent

Richard Huot, Interim Director of Business Services & Operations

# The Issue

<b>Fiscal Year</b>	<b>WSD Medical Insurance Cost <i>(actual cost except where indicated)</i></b>	<b>% Growth over Prior Year</b>	<b>% of Total Operating Budget</b>
<b>2015-16</b>	\$1,970,209		14.48%
<b>2016-17</b>	\$1,834,988	- 6.86%	13.35%
<b>2017-18</b>	\$1,863,178	+ 1.54%	12.90%
<b>2018-19</b>	\$2,074,122	+ 11.32%	13.89%
<b>2019-20</b>	\$2,086,903	+ 0.62%	13.82%
<b>2020-21</b>	\$2,279,748	+ 9.24%	15.00%
<b>2021-22</b>	\$2,488,845 <i>(actual through 11/21; projected 12/21 – 6/22)</i>	+ 9.17%	15.90%
<b>2022-23</b>	\$3,040,640 <i>(projected)</i>	+ 22.17%	17.21%

# Motion Made by BOE on Dec. 20, 2021

“Move that we authorize the Superintendent and the Interim Director of Business Services & Operations to investigate options for reducing medical insurance costs, and to report on such options to the Finance Committee at its Regular Meeting in January 2022, or at a Special Meeting sooner if necessary.”

# Key Background

- WSD is fully insured, along with the Town of Woodbridge, currently by ConnectiCare
  - WSD = 102 active employees & retirees\*, plus spouses/dependents
  - Town = 87 active employees & retirees\*\*, plus spouses/dependents
- Relatively small number of participants translates into high renewal rates when a small number of high claims occurs
- Insurance particulars (type of plan, employee contribution, etc.) are mandatory subjects of bargaining with collective bargaining associations (4 for the WBOE); those particulars are typically applied, sometimes with slight modifications, to individuals in non-affiliated positions
- Changes to insurance must also conform with provisions in collective bargaining agreements

*\* retiree benefit grandfathered for post-2020 hires; \*\* retiree benefit grandfathered for post-2016 hires*

# Key Conclusions

- Insurance Carrier
  - Preliminary comparative quotes suggest savings of \$550,000+ could be achieved in substantially equivalent coverage through another carrier, or through the current carrier matching the quote
  - The WSD & the Town could potentially make different decisions in this regard
- Insurance Broker
  - Handles specialized benefits consulting, account management, & compliance management
  - The WSD & the Town could potentially make different decisions in this regard

# Planned Next Steps

- Today: Potential revision to WBOE Proposed 2022-23 Operating Budget that would reduce \$550,000 from Medical Insurance lines
- Ongoing: (Pending BOE action this evening) Conversations with collective bargaining association leaders
- early April: Final quotes from insurance carriers & brokers
- late April: Final decision made, for implementation by July 1, 2022