

Browning Public Schools  
**Board Agenda Request**  
Meeting To Be Held: June 28, 2017



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**Recognition:**    Students                       Staff                       Parents  
**Information:**    Building Report                       Old Business                       Superintendent's Report  
**Action:**    Resignation                       Hiring                       Contract Service Agreements  
                     Travel Out-of-State                       Travel In State                       Approvals  
                     Termination                       Legal Matters                       Other:  
                    This action request pertains to  Elementary (only)                       High School/District Wide

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**Date:**     June 20, 2017

**To:**        **Board of Trustees**

**From:**     John P. Rouse  
**Title:**        Superintendent

**Subject:** **Approval for the Contract Renewals for Employee Health Insurance Components**

**Description:** We need to renew our contractual agreements for some of the components of our employee health insurance program. The component contracts include the ASO (Administrative Services Only) contract for our prescription drugs program and the stop-loss agreement with Sunlife,

**Financial Impact:** Sunlife Stop-Loss = \$72,694 per month (option 1) ASO = \$43.61 per covered employee per month    Medical Plan Budget= \$3,662,568

**Attachment(s):** Renewal contract documents

**Superintendent Action:**    Approved    Denied    Deferred    Initial & date: \_\_\_\_\_

**Comments:** \_\_\_\_\_

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**Board Action:**    N/A (Info)    Approved    Denied    Tabled to: \_\_\_\_\_

**Browning Public Schools  
Welfare Plan Renewal Summary  
Board of Directors June 2017 Meeting**

PayneWest Insurance appreciates the opportunity to provide benefit consulting services to Browning Public Schools. Key 2017 welfare benefit plan renewal outcomes are:

- Life Insurance will remain with UNUM for base life and voluntary life.
- Medical, Dental, and Vision budget is based on a composite number.
- Stop loss proposals were solicited from several carriers.
- Sun Life remains the most competitive stop loss carrier. They proposed a 14.2% increase in fixed costs and maximum claims cost, with no large claimant lasers.
- Last year, PWI projected that moving to BCBS of MT for the 2016/17 plan year would provide an approximate savings of \$500K for 2016-17 plan year.
- Through April 2017, plan surplus to budget is \$400K.
- 2017 Administrative costs have reduced by close to 50K.
- Current Individual Stop Loss level is at 75K. PayneWest recommends increasing the Individual Stop Loss to 85K. This will result in approximately 100K in fixed costs savings on the stop loss insurance.
- Browning Public Schools currently has 2 claimants who have exceeded the Individual stop loss limit of 75K.
- The break-even point for BPS in moving to the 85K level is that 7 claimants would have to hit or exceed the 85K level.

**Review of base vision/dental benefit addition for 2016-17:**

- All members participating in the medical plan had access to an annual vision wellness exam.
- All members participating in the medical plan had access to two preventive dental exams.
- Vision Claims were under budget. Recommend no change to \$6.25 PMPM vision budget.
- Dental Claims were under budget. Recommend no change to \$54 PMPM for dental budget.
- Strongly urge implementation of health management program with financial incentives for improving health outcomes. This effort will be a long-term strategy to improve employee and dependent health and reduce overall plan costs

**Medical Plan Budget**

<b>2017-18 Rate Construction - \$85k ISL, Sun Life<sup>1</sup></b>				
	<b><u>Current</u></b>	<b><u>Renewal</u></b>	<b><u>Renewal</u></b>	<b><u>Renewal</u></b>
<b><u>273 Enrollees</u></b>	<b><u>Expected</u></b>	<b><u>Expected</u></b>	<b><u>Maximum</u></b>	<b><u>With Reserve Offset of \$400K (\$122 Per Employee Per Month)</u></b>
<b>Composite Claims + Fixed Costs</b>	\$1,084.00	\$1,237.00	\$1,468.00	\$1,118.00
	\$3,537,929	\$4,053,840	\$4,809,463	\$3,662,568

Browning Public Schools is funding to expected costs for the current plan year. PayneWest also recommends funding to expected costs for 2017, based on claims and plan performance for 2016. NOTE: Browning Public Schools has a budget savings of approximately 400K through April 2017. It is assumed that Browning Public Schools has set aside the budget reserve dollars as a fund for claims that are incurred over the expected costs or for future increase relief.

Browning Public Schools may consider using all or some of the current \$400K budget surplus to offset the 2017-18 renewal. If you choose to use the \$400K reserve, it averages \$122 Per Employee per Month Premium Offset.

Additionally, Browning Public Schools will recognize budget savings from the decrease in enrollment. 30 Classified Staff will not enroll upon renewal. The annual budget savings will be approximately \$398,000.

### Dental/Vision Plan Budget

2017-18 Rate Construction - Dental		
	<u>Census</u>	<u>Composite</u>
Composite/Member		\$54.00
<b>Total Enrollment</b>	273	\$176,904

2017-18 Rate Construction - Vision		
	<u>Census</u>	<u>Composite</u>
Composite/Member		\$6.25
<b>Total Enrollment</b>	273	\$20,475