



Options for Reducing Medical Insurance Costs

Woodbridge Board of Education Finance Committee

January 11, 2022

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Richard Huot, Interim Director of Business Services & Operations

The Issue

Fiscal Year	WSD Medical Insurance Cost <i>(actual cost except where indicated)</i>	% Growth over Prior Year	% of Total Operating Budget
2015-16	\$1,970,209		14.48%
2016-17	\$1,834,988	- 6.86%	13.35%
2017-18	\$1,863,178	+ 1.54%	12.90%
2018-19	\$2,074,122	+ 11.32%	13.89%
2019-20	\$2,086,903	+ 0.62%	13.82%
2020-21	\$2,279,748	+ 9.24%	15.00%
2021-22	\$2,488,845 <i>(actual through 11/21; projected 12/21 – 6/22)</i>	+ 9.17%	15.90%
2022-23	\$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: Proposed revision to WBOE Proposed 2022-23 Operating Budget
 - Reduce \$550,000 from Medical Insurance lines
- Ongoing: 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