

Jordan School District  
Insurance Advisory Committee  
November 28, 2007

Minutes

Committee Members in attendance:

Lorelee Mitchell  
Debbie Brown  
Duane Devey  
Traer Forrester  
Brenda McCann

Committee Members excused:

Scott Berryessa  
Jill Durrant  
Dale Garfield  
Teri Hodgkinson  
Floyd Stensrud

Others in attendance:

D. Burke Jolley  
Monte Fautin  
Cheryl Matson  
Mike Havnes  
Tony Romanello

The meeting came to order at 4:00 p.m. in the District Administration Building. Committee members were welcomed.

**General Business Items**

Committee members approved the minutes of the October 17, 2007, meeting as written.

**Special Business Items**

None

**Informational Items**

The following information was reviewed with committee members:

A. October Claims

1. Medical – \$3,183,185.86
2. Pharmacy – \$779,428.75

B. Workers' Compensation Injuries for October

There were 18 workers' compensation accidents reported to Pinnacle Risk Management during the month of October.

C. Employees Assistance Quarterly Report

The EAP report showed that 12% of those employees enrolled in a medical insurance plan utilized the services of Blomquist Hale. Of the 12%, 89% received assistance by Blomquist Hale counselors and 11% were referred out to counselors in the medical plan.

D. Insurance Consultant Items

Cheryl Matson reviewed the estimated costs and premiums associated with adding screening colonoscopies to the medical insurance plan. Per the committee's request, she provided estimates based upon various co-pay amounts.

Colonoscopies – No separate co-pay:

Percentage of 50+	# of Members	Allowable Cost	Total Cost	Monthly Premium Increase		
				Single	2-Party	Family
100%	4,036	\$1,260	\$5,085,360	\$50.18	\$80.71	\$137.07
75%	3,027	\$1,260	\$3,814,020	\$37.64	\$60.54	\$102.80
50%	2,018	\$1,260	\$2,542,680	\$25.09	\$40.36	\$68.53
25%	1,009	\$1,260	\$1,271,340	\$12.55	\$20.18	\$34.27

\$250 co-pay:

Percentage of 50+	# of Members	Allowable Cost	Total Cost	Monthly Premium Increase		
				Single	2-Party	Family
100%	4,036	\$1,260	\$4,076,360	\$40.23	\$64.70	\$109.87
75%	3,027	\$1,260	\$3,057,270	\$30.17	\$48.52	\$82.40
50%	2,018	\$1,260	\$2,038,180	\$20.11	\$32.35	\$54.94
25%	1,009	\$1,260	\$1,019,090	\$10.06	\$16.17	\$27.47

\$500 co-pay:

Percentage of 50+	# of Members	Allowable Cost	Total Cost	Monthly Premium Increase		
				Single	2-Party	Family
100%	4,036	\$1,260	\$3,067,360	\$30.57	\$48.68	\$82.68
75%	3,027	\$1,260	\$2,300,520	\$22.70	\$36.51	\$62.01
50%	2,018	\$1,260	\$1,533,680	\$15.14	\$24.34	\$41.34
25%	1,009	\$1,260	\$766,840	\$7.57	\$12.17	\$20.67

\$750 co-pay:

Percentage of 50+	# of Members	Allowable Cost	Total Cost	Monthly Premium Increase		
				Single	2-Party	Family
100%	4,036	\$1,260	\$2,058,360	\$20.31	\$32.67	\$55.48
75%	3,027	\$1,260	\$1,543,770	\$15.23	\$24.50	\$41.61
50%	2,018	\$1,260	\$1,029,180	\$10.16	\$16.33	\$27.74
25%	1,009	\$1,260	\$514,590	\$5.08	\$8.17	\$13.87

Cheryl advised at the last committee meeting that PEHP indicated the plan could expect to see 50 to 75 percent of those eligible for a screening colonoscopy have one the first year if it becomes a benefit.

Mike Havnes reviewed a comparison of claims expense from August 2006 to August 2007. The report showed no change to inpatient claims, outpatient facility claims increased 16%, professional fees increased 11% and lab and x-ray claims increased 9%.

Prescription claims showed a 9.9% per member per month increase from September 2006 to September 2007. However, because of a drop in enrollment from 13,860 insured members to 12,240, the plan actually saw a 2.6% decrease in claims cost.

### **Discussion Items**

#### E. Insurance Committee Items

Lorelee Mitchell reviewed information regarding a health insurance cash-out benefit she had obtained from other districts. This information was provided in response to a request from the Board of Education that the committee discuss a cash-out benefit for those employees opting out of the health insurance plan.

- Alpine: Active employees - no benefit  
Retirees from education only - ¼ of insurance premium paid under another insurance plan to be put into a 401K
- Davis: No benefit
- Granite: No benefit
- Morgan: No benefit
- Murray: Active employees - no benefit  
Retirees from the Utah Retirement System – paid Murray District’s portion of the single premium either in a 401K or on a payroll check (10 checks only)
- SLC: Active employees and retirees – paid \$166 per month into a flexible spending account (\$170 less flex administration fee of \$4). The amount is based upon full time status. A .5 FTE would get 50% of the amount and .83 FTE would get 83% of the amount, etc. The money is governed by FSA guidelines.
- Tooele: No benefit
- Park City: No benefit

Tony Romanello from the JEA requested that he be provided with potential premiums if the insurance plans had changed to an 80/20 or 90/10 plan last year. He said the data would help compare Jordan’s medical insurance plans with other districts. Mike Havnes indicated that he would supply the information as soon as possible.

Lorelee Mitchell distributed two requests for committee review:

1. An employee asked the committee to consider covering hearing aids for those with a hearing loss due to a birth defect. Lorelee advised that the plan does pay for hearing aids if the loss of hearing is due to an illness or injury while covered under the plan. She also advised that PEHP does not cover hearing aids under any circumstances.
2. An employee asked the committee to consider increasing physical therapy visits to 20 per incident rather than 20 per year. Lorelee advised that 15 to 20 visits per year is a typical benefit for most insurance companies.

The meeting adjourned at 5:00 p.m. The next meeting will be held on January 16, 2008, in the District Administration Building ISC Classroom.