

Manitowoc Public School District
Minutes of the Finance and Budget Committee Meeting
Tuesday, December 16, 2014

Committee Chairperson Karen Rohrer called the Finance and Budget Committee meeting to order at 11:03 a.m. Committee members Catherine Shallue and Board President Linda Gratz were present. In addition, Director of Business Services Ken Mischler and Director of Human Services Andrea Holschbach, were also present.

Benefit Comparisons

Mr. Mischler stated that he put together a health insurance benefit comparison with other school districts. The first comparison is with five (5) school districts just larger than Manitowoc Public School District and five (5) school districts just smaller than Manitowoc Public School District.

The comparison showed that the District is 9th out of 11 school districts. Mischler explained that the assessment was based on comparing deductibles, out of pocket maximums, HRA/HSA contributions, percent paid by the employer, and drug costs. He stated that Superior School District was ranked the lowest based on the low employer contribution. He also stated Superior School District will be required to change because under Affordable Care Act (ACA), the most any district can now charge is 30% or be subject to substantial penalties. Mischler mentioned that the survey by Forecast5 Analytics did not include co-insurance levels because it was not part of the survey (but that is generally reflected in the out of pocket maximum).

He also stated that ACA required that the employee cannot be charged more than 9.5% of income for the single coverage health plan. Assume an employee makes \$20,000 per year, that equates to a maximum employee contribution of \$1,900 per year ($\$20,000 \times 9.5\%$) or \$158 per month. In addition, the single out of pocket maximum cannot exceed \$6,350. Based on the private sector survey from Associated Financial Group, numerous private sector plans are not in compliance and will need to change to meet the ACA limits or be subject to substantial penalties.

Mr. Mischler stated that he also put together a health insurance benefit comparison with area KMUC school districts. The KMUC comparison showed that the District is 7th out of 8 school districts. He also stated that in both comparisons, the average percentage paid by the employer was 87.4%. That was very close to what the District is paying. Linda Gratz noted that the rate went up if they did not participate in the Health Risk Assessment. Additional discussion was held. No action was taken.

A motion was made by Catherine Shallue and seconded by Linda Gratz to adjourn. The meeting adjourned at 11:45 a.m.

Respectively submitted,
Ken Mischler
Acting Secretary