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**D.C. Everest Area School District**

6300 Alderson Street  
Weston, WI 54476  
Phone 715-359-4221

**Mr. Jack E. Stoskopf, Jr.**  
Assistant Superintendent  
Business/Personnel Services

**MISSION STATEMENT**

D.C. Everest Area School District, in partnership with the community, is committed to being an innovative educational leader in developing knowledgeable, productive, caring, creative, responsible individuals prepared to meet the challenges of an ever-changing global society.

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**TO:** Dr. Kristine Gilmore, Superintendent  
**FROM:** Jack E. Stoskopf, Jr., Assistant Superintendent for Business/Personnel Services  
**RE:** Health Insurance Changes  
**DATE:** April 21, 2011

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Health insurance continues to rise. The initial projections were that the premiums would rise about 10% or just under \$1 million for 2011-2012. However, the initial renewal quote for health insurance came in at just over \$2.2 million dollars. That amount combined with the cuts in revenue limit authority, state aid, the taking on of the ARRA fund costs for the last two years and other rising costs put our reduction levels out of reach.

Much work was done with IMA, our new insurance advisors. Through many meetings and dealings with various insurance companies, we can switch to a fully insured plan with the same benefit levels we currently offer with an increase of just over a half million dollars.

There would need to be a short term bridge policy that would need to be purchased and these arrangements and costs have been obtained. Our current claims tale (available funds to pay claims at term's end) is projected to have sufficient funds to cover all claims during the transition period and potentially could afford the district to increase its fund balance at the end of the fiscal year.

We will be contracting with a firm to do a forensic audit of all claims paid by WPS for the past two years. The initial cost is \$5,000, with that being credited back to the district as the positive results of the audit will gain the district 65% of the findings. The potential in income from this audit is unknown, but it could be significant or it could be a break even proposition based on the findings. Either way it is a responsible thing to do in light of the timing with a switch to a new carrier.

Attached are the Health and Dental rates recommended for approval.

**Recommendation #1 (Health Insurance)**

We recommend the board approve the switch from a self-insured health insurance program to a fully insured program with Security Health. The coverage would be exactly the same whether staff members were on the PPO plan or the HDHP. The new rates for your approval are below.

<b>Fully Insured Health</b>	<b>Monthly</b>	<b>Annual</b>
<u>Non HDHP &amp; Cobra Employees</u>	Effective 7-1-11 to 6-30-12	
Family	\$2,071.57	\$24,858.84
Single	\$842.10	\$10,105.20
<u>Medicare/Carve Out</u>	Effective 7-1-11 to 6-30-12	
Single	TBD	TBD
Family (1 over 65)	TBD	TBD
Family (Both over 65)	TBD	TBD
<u>HDHP-24</u>	Effective 7-1-11 to 6-30-12	
Family	\$1,464.13	\$17,569.56
Single	\$595.17	\$7,142.20
<u>HDHP-40</u>	Effective 7-1-11 to 6-30-12	
Family	\$1,481.20	\$17,774.40
Single	\$602.11	\$7,225.32

**Recommendation #2 (Dental Insurance)**

We recommend the District remain self-insured for Dental Coverage. We have been advised and recommend that the rates remain the same at a 0% increase cost to the school district – a savings of **\$34,666** which was the original projected increase. The rates for your approval are below.

<b>Self-Funded Dental Insurance</b>	<b>Single</b>		<b>Family</b>	
	<b>Monthly</b>	<b>Annual</b>	<b>Monthly</b>	<b>Annual</b>
<u>Delta Premier</u>				
Group 90889 (Admin)	\$ 56.73	\$ 680.76	\$ 154.05	\$ 1,848.60
Group 90989 (All Others)	\$ 43.74	\$ 524.88	\$ 121.61	\$ 1,459.32
<u>Delta EPO</u>				
Group 94203	\$ 66.66	\$ 799.92	\$ 189.04	\$ 2,268.48

These recommendations are outside any potential adjustments to employee contributions. Should those measures be implemented, that would be approved via contract approvals.