

ESCONDIDO UNION SCHOOL DISTRICT
Human Resources Division
Insurance Committee Meeting Minutes
February 13, 2012

Present: Wendy Threatt (EEEE), Eric Daniels (Supervisory), Cindy Bruemmer (CSEA), Jim Scott (Management), Alicia Schlehuber, Bob Leon (District), Cathie Swoboda (Benefits Technician), Joan Gardner, Linda Woods (Board), John Rott, M.D., Diana Bishop, Terri Lynn, Gerardo Soria (Kaiser), Heather DeSalvo (VEBA), John Reiter, Ivette Robinson (Gallagher Consultants).

Motion was moved to approve the minutes from the January 30, 2012 meeting.

Dr. Rott and Diana Bishop reviewed our district's wellness program and commended the site champions on all their hard work and continued commitment to the program. Our district's wellness program has set the bar for other districts in developing their wellness programs. The most recent medical data from Kaiser based on our employees shows continued improvement in many areas. There is improvement in childhood obesity, our depression rates are stabilizing and improving, and diabetes numbers have declined. The district has surpassed the National average in obtaining yearly colon, breast, and pap smear screenings. Dr. Rott and Diana Bishop attribute the continued work of the wellness program as a factor in seeing these improvements. The district needs to continue to focus on weight loss, depression, and hypertension. Diana Bishop reviewed the Kaiser "Mind, Body, Health" free classes that were held last year. They were very successful in teaching those that attended ways to deal with stress in their workplace and home life. Kaiser is preparing to provide our district at least one more class in the next few months. The class is open to all EUSD employees and not just Kaiser members. Dr. Rott advised the committee that, with continued emphasis on our wellness program, we will see our medical data improve. However, it requires approximately 40-50% participation in order to see major results. He encouraged our district to continue to "create a culture of health" for our employees.

The remainder of the meeting was devoted to reviewing a 4-tiered rate structure; employee, employee plus spouse, employee and children, family coverage. These scenarios were purely hypothetical and illustrative in nature to allow for discussion. Rates have not been determined at this time. An estimated rate increase of 9.9 percent was developed Gallagher based on trends for the 2013 plan year so members could see the impact of a tiered rate system versus a composite system for employee contribution. For 2012, the district provided additional contribution amounts to the plans to keep the premiums at the 2011 level, absorbing the increased cost of benefits for the 2012 plan year. This included an additional contribution towards the HMO 1 premium to make a more affordable option for employees interested in returning or remaining with the HMO plan. Because of this additional contribution, VEBA will provide a reduction in our rate increase, which resulted in the estimated 9.9 percent increase. Actual rate increases by VEBA for the 2013 medical plan year will not be provided until later this year.

The total reserve fund due to employees waiving their medical benefits totaled \$760,000. This reserve fund, when equally divided between all medical plan participants, equates to an additional tenths contribution of \$55.51 towards the premium cost for each medical plan for the 2013 plan year.

Our next meeting will focus on our dental and vision programs and a review by the Fringe Benefit Consortium on the history of those programs. We will continue to discuss possible rate structure possibilities. Members of each association negotiation team are encouraged to attend our upcoming meetings to participate in this rate structure discussion. A vote will be taken with both associations at the end of May to determine if we will remain with a composite rate structure or change to a tiered rate structure.

Next meeting will be Monday, March 12, 2012 at 3:30 p.m. in the willow room.