ATTENDANCE: Bryan Meek, Chair; Mike Barbis, Erik Anderson
STAFF: Thomas Hamilton, Finance Director
OTHER: Joseph Giandurco, NFT

Call to Order

Mr. Meek called the meeting to order at 6:02 p.m. and acknowledged the members in attendance as listed above.

Update on Connecticut Partnership Plan 2.0, Health Insurance Option

Mr. Hamilton distributed the state Healthcare Bluebook on the CT Partnership Plan 2.0 and presenting documents that outlined price comparisons between the plans, with the highlights as follows:

Welcome to the Connecticut (CT) Partnership Plan—
a low-/no-deductible Point of Service (POS) plan now available to you (and your eligible dependents up to age 26) and other non-state public employees who work for municipalities, boards of education, quasi-public agencies, and public libraries. The CT Partnership Plan is the same POS plan currently offered to State of Connecticut employees. You get the same great healthcare benefits that state employees get, including $15 in-network office visits (average actual cost in CT: $150*), free preventive care, and $5 generic drug co-pays for your maintenance drugs. You can see any provider (e.g., doctors, hospitals, other medical facilities) you want—in- or out-of network. But, when you see in-network providers, you pay less. That’s because they contract with UnitedHealthcare/Oxford—the plan’s administrator—to charge lower rates for their services. You have access to Oxford’s Freedom Select Network in Connecticut, New Jersey, and parts of New York, and United’s Choice Plus Network for seamless national access! When you join the CT Partnership Plan, the state’s Health Enhancement Program (HEP) is included. HEP encourages you to get preventive care screenings, routine wellness visits, and chronic disease education and counseling. When you remain compliant with the specific HEP requirements on page 5, you get to keep the financial incentives of the HEP program!

Look inside for a summary of medical benefits, and visit www.osc.ct.gov/CTpartner to find out if your doctor, hospital or other medical provider is in UnitedHealthcare/Oxford’s network. Information about the dental plan offered where you work, and the amount you’ll pay for healthcare and dental coverage, will be provided by your employer.
Highlights of the proposed plans compared to the current health plan include:

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Current Plan</th>
<th>Proposed CT 2.0 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Copay</td>
<td>Copay/Deductible</td>
<td>$15</td>
</tr>
<tr>
<td>Urgent Care Copay</td>
<td>Copay/Deductible</td>
<td>$15</td>
</tr>
<tr>
<td>Emergency Room Copay</td>
<td>Copay/Deductible</td>
<td>$35</td>
</tr>
<tr>
<td>Prescription Copay</td>
<td>Copay/Deductible</td>
<td>$5/$20/$35</td>
</tr>
<tr>
<td>Mail order prescription copay</td>
<td>Copay/Deductible</td>
<td>$5/$20/$25</td>
</tr>
<tr>
<td>Maintenance Prescription Copay</td>
<td>Copay/Deductible</td>
<td>$0/$5/$12.50</td>
</tr>
<tr>
<td>Deductibles</td>
<td>2000/4000</td>
<td>350/1400 waived for HEP</td>
</tr>
</tbody>
</table>

A detailed, side-by-side comparison of costs and features in our current plan versus the CT Partnership 2.0 Plan is included in the attached documents.

The CT Partnership Plan has a comprehensive network of local providers through the plan’s administrator, United Healthcare/Oxford. That gives you access to Oxford’s Freedom Select Network in Connecticut and parts of New York, and United’s Choice Plus Network for coverage beyond the immediate area. To check if your current healthcare provider is a member of the plan, go to [www.osc.ct.gov/CTpartner](http://www.osc.ct.gov/CTpartner).

While the new plan would not have an HSA (Health Savings Account) component, employees retain the balances in their current HSAs. Those funds could continue to be used for office visit co-pays, medications, and other allowable expenses.

The option to switch dental plans was also reviewed, but the decision has been made to keep the coverage currently in place with Delta Dental.

**Cost Savings for Both Employees and the District**

Norwalk Public Schools is currently “self-insured,” which means the cost for health care goes up when employee medical expenses are high. As a result, we need to maintain a substantial health insurance reserve fund to cover fluctuations. The CT Partnership Plan would have a fixed cost, eliminating the need to keep millions sitting in a reserve account. Because the state uses a statewide average, it’s able to produce a health plan that is better for employees, while saving the district more than $3 million per year.

The budget recommended by the Board of Education and recently approved by the City of Norwalk does rely on the savings that would come from the switch. If for some reason we are unable to make the change, we would need to work to find other cost savings in order to close what would be a $6.6 million budget gap. Proposed agreements with bargaining units would include language that would revert back to current plan designs, should the State plan unexpectedly change adversely.
Mr. Hamilton explained a switch to the state 2.0 program would draw down its current insurance fund balance by $3.9 million. He said the district would be looking to go into the plan as soon as July 1, which stands as the start of the new fiscal year. The change in health plans would represent a savings to employees.

There was discussion on the comparison charts, and Mr. Hamilton outlined the following:

- In-network deductibles for employees would decrease from $2,000 for a single employee and $4,000 per family to $350 for singles and $1,400 per family in the switch to the state plan.
- Deductibles would be waived in the new plan if employees enroll in the state health plan’s Health Enhancement Program, which requires regular screenings such as eye exams and dental cleanings.
- In-network medical office exams costs would also change from being the cost of the deductible to the cost of the deductible plus $15 co-pay in the new plan.
- Prescription drug costs, after deductibles are accounted for, a $5 dollar reduction in co-pay across all three tier levels, including prices of $5, $10 and $15.

There was discussion on the alternative that would be to reduce staff to help address the budget deficit that the district would face if it stayed on its current self-insured program, given the city’s recently approved operating budget for the upcoming fiscal year. It was noted that this would be an undesirable last resort that the district would want to avoid.

Mr. Barbis explained that the change from the current plan would mean a typical insured district employee with a family would see about $2,450 savings per year, with about half of that amount of savings per year for a single employee. The prices represented in the state plan are universal as the program is not personalized for each school district. Other districts such as Greenwich, Trumbull and Fairfield have made the switch to the state’s program, with savings, and it’s something that is well established.

Update on 2017-18 Operating Budget

Mr. Hamilton referred to budget reports as distributed (summary attached). He reported that according to consultant reports, health insurance claims within the last several months have slowed, which reduces the anticipated $8.6 million deficit by approximately $2 million, but leaves a $6.65 million shortfall.

He referred to charts on the reports (see attached page 4)

There was discussion and Mr. Meek noted that this would remain on the agenda pending further evaluation prior to forwarding onto the full Board with a recommendation.
Adjournment

** MR. ANDERSON MOVED TO ADJOURN.
** MR. BARBIS SECONDED THE MOTION.
** THE MOTION PASSED UNANIMOUSLY.

The meeting was adjourned at 6:55 p.m.

Respectfully submitted,
Marilyn Knox,
Teleco Secretarial Services

Norwalk Board of Education
Finance Committee
April 18, 2017
Page 4 of 4