

October 31, 2017

A special meeting of the Board of Education of the Oak Park and River Forest High School was held on October 31, 2017, in the Board Room of the high school.

Call to Order

President Moore called the meeting to order at 8:30 a.m. A roll call indicated the following Board of Education members were present: Fred Arkin, Matt Baron, Jennifer Cassell, Thomas F. Cofsky, Craig Iseli, Dr. Jackie Moore, and Sara Dixon Spivy. In addition, Dr. Joylynn Pruitt-Adams, Superintendent, and Gail Kalmerton, Executive Assistant/Clerk of the Board of Education and FOIA Officer.

Also present were Tod Altenburg, Chief School Business Officer; Amy Hill, Director of Assessment and Research; Greg Johnson, Assistant Superintendent for Curriculum and Instruction; Michael Carioscio, Chief Information Officer; Brenda Horton, Director of Human Resources; and Dr. Gwen Walker-Qualls, Director of Pupil Support Services.

Visitors

OPRFHS Faculty and Staff Lee Kramer, Nancy Heezen, Dave Walksler, Tanya White, Doug Brown, Tom Kirchner

Public Comments

None

Closed Session

At 8:31 a.m., Dr. Moore moved to enter closed session for the purpose of discussing the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the District or legal counsel for the District, including hearing testimony on a complaint lodged against an employee or against legal counsel for the District to determine its validity. 5 ILCS 120/2(c)(1), as amended by PA. 99-646; the placement of individual students in special education programs and other matters relating to individual students 5 ILCS 120/2(c)(11), and Litigation, when an action against, affecting or on behalf of the particular District has been filed and is pending before a court or administrative tribunal, or when the District finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the meeting minutes. 5 ILCS 120/2(c)(11); seconded by Ms. Cassell. A roll call vote resulted in all ayes. Motion carried.

At 8:43 a.m., the Board of Education resumed its open session

**Medical and
Dental Benefits
Renewal**

Mr. Cofsky moved to approve the renewal of the medical and dental insurance; seconded by Mr. Arkin. Discussion ensued.

The internal OPRFHS insurance committee met Monday, October 30 and is now recommending that the entire increase of premium of 5.8% after plan changes be paid for by taking 3.8% out of the health care fund balance and 2% from employees. This means that the District will not be paying any additional money next year. This year the committee will look to build in incentives to be more proactive in the healthcare range.

The District will put in reserve 20%, based on historical trending of loss data.

Mr. Arkin read the following statement:

“I would like to provide an explanation of my `no` vote on the renewal of our employee Health program last Thursday. The decision was born out a real frustration that this is the third year in a row where we have received insufficient answers and no proactive movement from our committee and broker.

“Of course, we need to provide a competitive comprehensive health program for all of our employees. At the same time, we need to make sure we are doing our very best to optimize the long-term costs and benefits. I was very disheartened by the statement that the committee’s focus was managing cost to the employees. That goes without saying, but how about the District/taxpayer cost, the committee’s concern should be an overall cost not just what is borne by the employees. After all, since costs are shared an overall savings benefits both the employees and the district. As a board, it is our duty to ensure district and employee best interests are being addressed.

“I know we went through an RFQ process for brokerage services and Gallagher prevailed I believe their leadership to be sub-standard. For the past three years, I have asked questions and they have fallen on deaf ears. I specifically asked last year for them to simplify their proposal and provide definitions for fees that are charged. The proposal format remains the same. At our COW I asked about our fund adequacy, on Thursday evening I was directed to our 2016 Audit, which I have reviewed and cannot find an opinion if our Internal Service Fund is overfunded, underfunded or adequate for our needs.

“I also asked what can be done to reduce the overall cost to the district the only answer was; `to adjust the contribution structure.` That was an incomplete answer as there are many other elements of cost that can and should be addressed.

“Since we are self-insured our costs are claim and fee driven rather than market and rate driven. We need to be looking at strategies to lower claims and fees. I am not an expert in group health benefits but here are a few strategies we can look at to control long-term costs.

1. Implementation of a wellness program. The change made by the committee having wellness is covered at 100% should be followed up with the implementation of a comprehensive wellness program. A healthier population will result in long-term lower claims experience. If we can prevent claims we do not incur costs. Most insurance carriers have incentive programs that can be overlaid on to health programs that provide benefits to employees who participate in wellness activities such and smoking cessation, weight loss, annual check-ups and increased physical activity.

2. We need to take advantage of programs that plans offer for reduced charges if our employees utilize preferred providers for ancillary services such as radiology, lab work, physical therapy and etc. This would dovetail with a claims analysis review to determine if there are service providers that can be used to create greater cost efficiencies for the services our employees are utilizing.

3. Program fees need to be defined and analyzed. How are they generated? By a number of lives or dollars? Can they be further negotiated?

4. Prescription drug usage needs to be analyzed and a prescription benefit management program implemented. Use of generic and mail-order services has to be utilized.

5. Utilization of an HSA program. We need to educate our workforce on the benefits of Health Savings Accounts. They can be incentivized to participate and especially for younger employees it is a great way to put away pre-tax dollars to be used for future expenses.

“Although a 5.8% increase in today's marketplace is extremely modest, I believe we can do better for both our employees and the district to maintain the long-term stability of our health benefits program. We must make a commitment to long-range cost control regards to claims, services, and fees.”

Mr. Cofsky read the following statement. “While this discussion is about health and dental care insurance renewals, it is about more than that--it is about responsibly managing the resources of the district in the best interest of our students over the long term.

“I strongly believe that each and every employee of the district should be offered affordable health care benefit options that best fit their individual circumstances. However, this must be balanced with the needs to best support our students within the resources that our taxpayers can afford.

“According to the recently passed school funding bill SB 1947, I estimate that our district “earns” \$7.3 million in revenue for all employee benefits at 100% adequacy. This would include health care, retirement benefits, etc. As is evident, our health care alone exceeds this threshold.

“This funding model is not prescriptive enough to say in which areas we need to put our resources. It is the district’s responsibility to determine whether resources are best applied. If we believe that offering health care benefits near the top percentile of all plans available, and at 160% of national average for employer contribution for our most popular plan, is the best spend for our students, we must recognize that other areas of spend for student supports must fall below target to end up near an overall adequacy target, recognizing that such targets were set to address equity statewide for our students. Or, we need to be effective in justifying to our community the value being delivered by resources, such as our health care costs, being well above the adequacy targets.

“This health care request is for the insurance committee/administration to first decide in its recommendation. It is then up to this Board of Education to decide, and ultimately up to our taxpayers if we exceed 110% of the overall adequacy determined level. Either we choose to manage district expenses responsibly, or we risk leaving it to those outside this building to manage it for us. Either we choose to adjust or be forced to change.

“I appreciate the administration coming back with a proposal where the detail provided agrees with the recommendation being made. I also strongly support use of medical fund balance resources to bring that account in line with standard levels by using funds previously taken from our taxpayers, and to a smaller extent our employees, while allowing market costs to catch up to our costs. Lastly, I think it is imperative that our insurance committee provide transparent market data on the employee as well as district costs when making recommendations, and pursue every effort to drive district costs down so resources can be deployed in the best long-term interests our students. Thank you.”

Mr. Altenburg reported that the amount of money necessary to increase the plan to make the adjustments externally is being paid out of insurance fund balance. The amount will remain the same and the Delta is zero.

Mr. Baron’s original no vote was the desire for better stewardship of the fund. He thanked the administration and he looked for move improvement in future years.

Mr. Iseli thanked the insurance committee and the administration for revisiting this proposal. He favored an insurance committee as it involves staff and

administration and he wanted to address costs. Even though this is a long-term issue, there is no time. The District cannot delay in making changes. The costs have to be addressed now and even with that, it will take time to cut costs.

Dr. Moore appreciated the work of the committee and the revised report. This is a learning curve and an immediacy as the fund balance is not an unending resource. SB 1947 will require the Board of Education and the administration to educate itself in order to not jeopardize the climate and functioning of the school. The Board of Education must have the opportunity to review important matters in a timely manner so that the message is not that needs of the employees are not important. She appreciated the hard work done on all sides. The Board of Education met today so that no one would feel their benefits and health insurance was at risk.

Dr. Pruitt-Adams thanked the Board of education for recognizing the importance of this action and returning to the table so quickly. The administration's goal and hope is to bring the information forward at an earlier point so it will have time to consider what is being proposed. The goal will be to address the issues raised regarding cost containment, SB 1947, etc., with the collaboration of the benefits committee.

Adjournment

At 9:07 a.m., Mr. Baron moved to adjourn the Special Board Meeting; seconded by Ms. Cassell. A voice vote resulted in all ayes. Motion carried.

Dr. Jackie Moore
President

Jennifer Cassell
Secretary