

The Rockbridge County School Board held a special meeting on Tuesday, January 5, 2019 at the Rockbridge County School Board Office.

Present: Chairman Wendy Lovell; Trustees Corey Berkstresser, Heather Hostetter, Neil Whitmore; Superintendent Phillip Thompson; Clerk Rhonda Humphries. Absent: Trustee David McDaniel

#### CALL TO ORDER

Chairman Lovell called the meeting to order at 4:03 p.m.

#### CONSENT AGENDA

Upon recommendation by Chairman Lovell, motion by Trustee Berkstresser, seconded by Trustee Hostetter, the board approved the following items on the Consent Agenda:

- **Appointments**  
**Support Staff**

Andrew Edwards, Teacher Assistant, Natural Bridge Elementary School,  
effective February 6, 2019.

Amber Koval, Teacher Assistant, Maury River Middle School effective February 6, 2019.

#### HEALTH INSURANCE UPDATE

Superintendent Thompson stated that the board is in the middle of the budget season with health insurance being of great concern. He introduced Jim Gordon, Principal, OneDigital Health and Benefits, to provide information on the status of the process in regards to health care costs.

Mr. Gordon provided a brief overview of the 2019 Health and Benefits Renewal Summary and Recommendations for Rockbridge County Public Schools as follows:

- Initial rate increase of 16.3% has been received from Anthem, which includes three plans. He stated that a deep analysis has not been completed yet but he is optimistic that pricing margins may come down.
- An RFP process has been initiated to the Marketplace with proposals due back on February 28, 2019 and noted that an analysis should take approximately ten days.
- The majority of Rockbridge County Public Schools are in the 500 deductible plan, which is the most expensive plan.
- There are high amount claims that drive the costs over time.
  - Trustee Berkstresser inquired if the high claims are due to a one-time event or residual treatment.
    - Mr. Gordon stated that they look at each case and help those individuals determine their best option as part of this process.
- The OneDigital Leadership Team has discussed the importance of employee engagement education that may include face-to-face meetings with individual employees, bi-monthly webinars, and podcasts to help better understand the process. OneDigital has contracted for a technology tool that will be available during open enrollment to help employees determine the best value for their health care options and to open dialogue for more one to one conversation to work through their options.
- OneDigital is working towards having a Benefits Plan Committee to walk through the process and explore strategic initiatives and ultimately to be an advocate in schools to get employees more engaged in conversation. The main objective for OneDigital between now and open enrollment is to try to get more employees engaged in conversation to help better understand the benefits.
- OneDigital is looking outside the box in terms of benefit design including the possible initiative of a back-end HRA. There is currently a base high deductible in trying to drive costs down. The concept of a Back-End HRA is that the school division would buy more deductible, give employees the same structure they currently have, but buy more risk on the back-end that would drive the premium down.
- Historically, Anthem has been the most competitive.
- Approximately 80% of the current insurance consumption is routine. He noted that if the risk is shifted to the employees through a higher deductible plan, an employee will be more likely to determine when it is necessary to seek medical advice and treatment; employees could possibly see a savings in their paycheck.
  - Chairman Lovell inquired what advice would be offered to an employee who is interested in the high deductible Health Savings Account (HSA) plan.
    - Mr. Gordon responded that the OneDigital representative would first try to learn the employee need, help the employee to understand the risk and help them to feel comfortable, and advise the employee to take the plan that they can afford.
    - Trustee Berkstresser inquired if the HSA is a "use it or lose it" plan.

- Mr. Gordon confirmed that the funds belong to the employee; it is basically a medical IRA. The goal of OneDigital is to help employees understand how the plan works, understand how the funds can grow, and how it could become a long-term investment vehicle. The HSA plan option is part of the education process during open enrollment.
- Mr. Gordon summarized that he is working through the process with the Rockbridge County School Board and his Leadership Team and discussing aggressive ways to engage employees and how to obtain the best value of insurance plans for employees.

Trustee Berkstresser inquired if there was still a consideration of joining with the County of Rockbridge. He reflected that much of the school budget comes from the county and further that a savings for the school board is ultimately a savings for the County of Rockbridge. He also inquired if the option has been reviewed with Lexington City.

- Mr. Gordon stated that in the past, in order to keep their costs down, the County of Rockbridge have not opted to participate. He stated that the County of Rockbridge is in local choice with a shared risk pool noting that it would be a big risk for them to come out of that. He stated that it will be reviewed again as part of the overall analysis.
- Mr. Gordon stated that Lexington City is in local choice with Covington. He stated that it will be reviewed again.

Trustee Hostetter inquired if the proposed plans would align with current plans or would it be different.

- Mr. Gordon stated that there are three plans now and that it would align with current high deductible plan. The objective is to drive the premium down and to lower the cost from an employee's paycheck. He cannot quantify the plan until the projected percentage is determined.

*[Trustee Whitmore exited the meeting at 4:35 p.m.]*

Trustee Hostetter further inquired if the one to one setting and the technology tool would show an employee a comparison of the plan they currently have versus what the high deductible plan would like in their paycheck.

- Mr. Gordon responded that the technology tool is an assessment tool to show options and would reflect a cost for each option. The employee would then answer questions specific to employee and family regarding health issues and the tool will reflect the best value. He recognizes that employees may be uncomfortable with change and noted again that employee engagement is the key factor.

Chairman Lovell stated that she feels the Benefits Committee will be beneficial and inquired how a HSA contribution by the school board would work.

- Mr. Gordon stated that the budget process will determine the bottom line amount committed to a HSA contribution and will help to find ways to drive the premium down to help the employee's paycheck and also to make the high deductible attractive. An HSA contribution helps and encourages employees.

Chairman Lovell stated that the goal of the board is to help with the insurance effort, whether employees get a raise or not. She reflected that the change in the health care environment the past couple of years lends people to begin thinking.

- Superintendent Thompson stated that it is a priority to minimize the insurance cost for employees. He further stated that it is a goal to have employees to take time and look at options to make choice and his hope that there will be lots of conversations over the next couple of months.

Superintendent Thompson stated that Mr. Gordon will share the insurance evaluations with the board at a special meeting in late February or early March, which will provide a better sense of direction for the board. He stated that the target date for open enrollment is April 15 through May 15, 2019.

Trustee Hostetter inquired if a form letter could be generated to reflect current plan premium versus the high deductible plan next year, what the max out-of-pocket for next year would be, and what the possible savings could be. She suggested that the letter could reflect two options: 1) The current plan the employee has; and 2) what the cost would be for a high deductible plan.

- Superintendent Thompson suggested that it may be good to invoke questions and conversations leading to the one-on-one meetings.

**BUDGET UPDATE**

Superintendent Thompson stated that the budget process is still extremely preliminary in that the Governor's amendments, House, and Senate work are still in process. The committee preliminaries are looking favorably for K-12 education and that he hopes the trend continues.

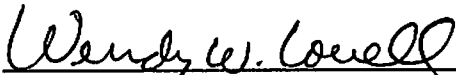
Superintendent Thompson stated that he is in agreement with Mr. Gordon in that Rockbridge County has been conservative in the past. He reflected that the board is looking at doing things differently in trying to not only pay for any health insurance increase, but also trying to find a way to add more funds that could help minimize any health care cost increase for employees.

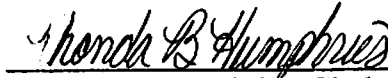
Trustee Hostetter stated that she feels the board needs to decide what the next plan will be. If possible, she would like the form letter to reflect the plans for next year.

- Superintendent Thompson stated that the board will need to move quickly to determine the plan in order for this to be done for employees this year.

**ADJOURNMENT**

Upon motion by Trustee Hostetter, seconded by Trustee Berkstresser, and passed by 3-0 vote, the meeting was adjourned at 5:10 p.m.

  
Wendy W. Lovell, Chairman

  
Rhonda B. Humphries, Clerk of the Board