

DOWNERS GROVE GRADE SCHOOL DISTRICT 58

FINANCIAL ADVISORY COMMITTEE MEETING

April 4, 2019

The Financial Advisory Committee met on Friday, April 4, 2019 at 7:00 a.m. at the Administrative Service Center.

Call to Order

The meeting was called to order at 7:03 a.m.

Present

Darren Hughes, Allen Altic, Kari Cremascoli, Todd Drafall, Matt Durbala, Katie Hannigan, Steve Olczyk, Jeff Riemer, Andrew Schmidt. Also in attendance were Mark White (DGEEA) and Mike Baker (Group Alternatives insurance consultant).

Absent

John Miller, Brian Dietrich, Randy Hoppe, Rachel Mayer, Katie Maffei, Todd McDaniel, Geoff Neustadt, Dan Pekofske, Cynthia Pietrucha, Brian Riegler, Jason Suchy, and Jim Swider.

Approval of Minutes

Katie Hannigan moved and Jeff Riemer seconded the motion to approve the minutes from the March 8, 2019 meeting. Motion carried.

Review of Health Insurance Format and Claim Data

Todd Drafall provided a recap of the formation of the Health and Wellness Committee. He noted that healthcare costs have outpaced inflation. Claims are paid out of the Medical Reserve Fund; the District and employees are contributors to the fund. Group Alternatives is the District's consultant; Aetna is the insurance provider.

Mike Baker of Group Alternatives provided some historical information regarding the District's move to Aetna. Recent plan additions include an ER co-pay, and a high deductible plan with health savings account (HSA). Participation in this plan is currently 4.4%, with a goal of reaching 20-25%. This would stabilize the District's costs and result in data to show that this plan would work for about 60% of the District's population. It is critical to educate our staff so that they understand the benefit.

Prescription benefits are reviewed every 12-18 months. Costs continue to increase. The new contract with CVS will save about \$500,000 annually, but another 10-20% savings could be realized with a closed formulary (which excludes some drugs).

Promoting the Teladoc service has resulted in a 241% usage growth in the 4th quarter of 2018. An optional life insurance benefit of up to \$200,000 has been elected by 82 employees. Another open enrollment will be offered in the fall.

Amended version

Stop loss insurance provides protection to the District for any claims beyond \$150,000. Claim amounts in July 2018 were about double those in July 2017. There have been several very large claims in the past three years; predictive modeling indicates that this trend should improve. However, due to recent large claims, the stop loss premium will likely increase. The Health and Wellness Committee will also explore options to help diabetics with healthcare maintenance. Diabetic costs are, on average, \$18,000-\$22,000 annually for the District and another \$4,000-\$6,000 for the employee.

The committee discussed possible ways to educate staff on healthcare options.

Year-to-Date Report

Cash on hand is \$1.2 million behind the same time last year. It is too soon to tell whether short-term borrowing will be necessary to cover June bills. It was suggested that the Year-to-Date Report include more detail, particularly related to pensions and debt service.

Reception of Visitors

No visitors were present at the meeting.

Adjournment

Andrew Schmidt moved and Allen Altic seconded the motion to adjourn the meeting. Motion carried.

Adjourn

Meeting adjourned at 8:10 a.m.