

SOMERSWORTH SCHOOL BOARD

January 15th 2015

Somersworth City Hall

6:30 pm

1. CALL TO ORDER - ROLL CALL - PLEDGE OF ALLEGIANCE: Austin called the meeting to order at 6:30pm upon call of the roll the following members were present: Rivers, Austin, Paradis, Gibson, Hiller, Pepin, and Bolduc. Absent: Brennan and Philpott

2. COMMENTS BY VISITORS: None

3. CONSENT CALENDAR:

3.1 Removal of items from the consent calendar: None

3.2 Approval of Consent Calendar: A motion made by Paradis seconded by Rivers to approve the consent calendar as presented. Approved were:

- December 16 2014-Minutes of the Somersworth School Board Meeting
- Idlehurst Newsletter-January
- Maple Wood- January Newsletter
- Fun to Share- Eris Hersey
- Enrollment-January

4. ANNOUNCEMENTS: Supt. Mosca stated that she would like to congratulate the Middle School for being selected for the National Title I Distinguished School Award based on the outstanding performance on closing the achievement gap. She congratulated Dana, Caroline, and all the Title I tutors at the Middle school as well as the middle school staff. She stated that they will be presented the award at the national title I conference on February 4-8th in Salt Lake City Utah where Teresa Cleary and Caroline Butler will be representing the middle school. Austin stated that he and Jessica attended the NHSBA delegate assembly and they will have a full report at the next meeting.

5. DISCUSSION ITEMS:

5.1 School Care Presentation: See attached presentation. Lisa Duquette stated that she would like to give some background into the premium holiday because that is the most significant thing impacting renewal. She stated that prior to 2012 there was surplus in the programs which is when we pay out less in claims than what we bring in. She stated that they returned the surplus a third each year in rate stabilization. She stated that in 2012 we had our first investigation by the secretary of state and we signed a risk pool practices agreement. She stated that we were no longer able to use the surplus through rate stabilization and we need to show the amount returned. She stated that the first two returns in December 2012 and December 2013 were 4.25 million. She stated that two years later there was a court case that impacted the risk pools in the state where all moneys undesignated needed to be return to the member groups. She stated that in April 2014 initially receiving a portion of 10 million and we still had 10 million to be returned in future years and we had to return all of that in 2014. She stated that for Somersworth the only group that was eligible in 2012 and 2013 were the custodians because the rest of the district didn't have school care. She stated that in 2014 \$375,000 was given back for Somersworth. She stated that the next renewal 3.5 million is to be returned and of that \$110,897.12 is Somersworth. She stated that this has a very direct impact on the overall health renewals. She stated that they broke down the rate history over the last five years and the first three years the rate increases were very similar and this year and next the variations are high. She stated that had you not had the premium holiday last year you would have had a 9% increase and instead you had a decrease of 6.9% which is a 16% variation. She stated that if you started with the 9% you would have had a modest 2.7% increase but with the premium holiday gone you have the 17.5% impact. She stated that an average of 5.14% over a five year time period is reasonable given the medical trend. She stated that school care is highly regulated and we are not expecting future rate volatility in the future. She stated that the rates are largely impacted by utilization and you are doing well compared to other districts because your average increase without the premium holiday was 5.3%. She stated that she understands that you are

looking at other health care options and school care is committed to deliver benefits in a cost effective manner. Austin thanked them for coming. He stated that he is having a hard time wrapping his head around this because it looks to him that in essence by the time we pay the premiums you will be in the same position as two years ago and it looks like you are trying to recoup the surplus. Duquette stated that we are highly regulated and without the holiday premium your increase would have been 2.7% which is minimal. Austin stated that if the average increase is over 5% than that must mean that other members are getting bigger than a 17.5% increase. Duquette stated yes for some they are over 20%. Austin stated that you have to understand how that impacts a community like ours, it is the single biggest increase and we can't hold the premium holiday in reserve to soften the blow it goes into the general fund so we are in all reality paying the 17.5% increase which is problematic. Duquette stated that they made the same points with the state regulators but we have been told otherwise. She stated that it is not our intent and they understand the huge impact on budgets and negotiations but it is out of our control. She stated that they have the Supreme Court telling us how we have to do it. She stated that they run a very lean operation and they are very sensitive to their comments that you would have much rather had a flat increase. Austin stated that we would have been able to absorb an increase but we are having a really hard time with that level of an increase. Hiller stated that she is new to the board and asked if they got any notice. Duquette stated that unfortunately with the risk pool practice agreement with the state regulators and the Supreme Court decision we notified the districts as soon as the decision came down but you had already done the budget. Hiller asked if there is any way to reduce the 17.5% increase. Duquette stated no that is not possible because they returned all the surplus so we have to collect enough to pay the claims. Bolduc stated that you used the word returned to us but you didn't return it to us you just reduced the bill correct. Duquette stated correct. Bolduc stated that we didn't get the money back we put the lower figure into the budget and that has come back to bite us. He stated that the better option would have been to return the money to us rather than reduce the bill. He stated that he understands everyone is in the same situation but an actual increase of 2.7% if we had gone with that it would be a better situation. He stated that there is nothing we can do but he hopes that it doesn't happen again. He stated that he doesn't want to do the holiday again he wants the money so we can put it back in the bank. Rivers stated that he doesn't fault you but when he heard premium holiday he didn't understand the term. He asked if they have a secondary insurer that they deal with. Duquette stated that they self-insure and pay Cigna a flat fee to administer the plan and they also buy stop loss insurance that reimburses us for anyone's claim over half a million. Bolduc stated that on the front page it refers to health care coalition and school care. Duquette stated that they are registered as the NH School Health Care Coalition but we do business as School Care. Bolduc stated that school care is the same as an insurance company. Duquette stated that it looks like that but we are not regulated by the department of insurance but we are a pooled risk management program. Bolduc stated that the trouble he has with the insurance plan is every year you have a meeting where the members vote on what they want in the plan. Duquette stated yes it is a member run entity and they elect a board of directors who direct policy. Bolduc stated that the people who are voting on what is in the policy are the same people who are receiving the benefits. Duquette stated generally yes. Austin stated that moving forward he has concerns with how health care impacts the costs to the local districts with Obamacare to make sure that we don't run into penalties because many of the plans fall under the Cadillac provisions and asked if school care is in the process of developing any programs around that. Duquette stated that they do have consumer driven plans with high deductibles. She stated that they heard your concerns and it looks like you are subject to it based on your plans but they are happy to work with you to have some potential solutions. Gibson stated that in his personal opinion he sees consumer driven plans are the biggest oxymoron out there. He stated that he read an article where the newest business is health benefit consulting where they are hired by individuals to plow through the health insurance confusion and are paid a percentage based on what they save people. He stated that the consumer driven plans have the

biggest problems for middle class individuals because they build in high deductibles or high copays. He stated that for himself he pays \$8,000 a year for health and another \$6000 in deductibles and copays. He stated that he is not an advocate for high deductible plans. Duquette stated that she hears your concerns she is very familiar with these plans and she would encourage the board if they are interested in these programs that they will be quite surprised that they don't have those types of out of pocket expenses as they are developed special for schools. Hiller asked if we are able to deduct something from the plan. Duquette stated that we do have other plans but you have collective bargaining agreements and she isn't familiar with them and whether or not that is an option or not. Hiller asked if we can make a custom plan. Duquette stated no. Austin stated that he would like to see the details on the utilization for the different categories. Duquette stated that they would be happy to present those again. Gibson stated that he is interested in seeing the urgent care built into it as well as services. He stated that it seems like it should be a factor. Duquette stated that she will differentiate between the two. D'Agostino asked if she could explain how the pool rates entities, are they rated individually or part of the pool and what percentage is based on utilization versus the pool. Duquette stated that in the pool we take all the risk together and spread it out. She stated that we look at the size of the group which is Somersworth, Rollinsford and the SAU as a combined entity and based on your level you are 82% credible. She stated that when you look at the claim experience you apply the factor 82% credibility and the other 18% taking the entire pool and use 18% of that to apply to the remainder. She stated that you have protection from the pool in the good and bad years. Austin asked if the large claims get pooled. Duquette stated that they remove anything over \$100,000 and put it into the pool. Hiller asked if other schools are rated differently. Duquette stated that it is different based on the size. Paradis asked her to explain the credibility rating. Duquette stated that it is a factor assigned in the underwriting process. She stated that say your claims are 5 million you only take 82% to project to the future. Hiller asked if last year was a high year. Duquette stated that the average in the pool was 5% and your group was at 2.7% so you are doing better than the average without the premium holiday. Hiller asked if in the plan we have different copays for different things. Duquette stated that you have \$20 office copay, \$25 urgent care and \$50 emergency. She stated that you also have copays for prescriptions \$10 generic, \$30 brand preferred and \$65 brand non-preferred. Bolduc stated that if we seem harsh it is not personal. D'Agostino stated that these are all great questions. She stated that the higher pharmacy copay has lowered our premium which has helped in the last 3-4 years. Duquette stated you don't have the richest plans and you save about 4% a year by having the increased copays. She stated that you are also introducing the open access plan which is 7% less than the HMO. Bolduc stated that he read recently that all the plans are open access and they are changing the names to red, green and blue plans. Duquette stated that we call the plans HMO, POS and Open Access and they have an open national network through Cigna and the challenge has been members call Cigna and they say have the HMO and they say no you have open access so it is a marketing issue. She stated that HMO has a green header and POS has a blue header so we were changing them to colors. Austin thanked them for coming out.

5.2 BOARD REPORTS:

Building, Grounds & Transportation: Rivers stated they met on January 5th and the only item on the agenda was the RFP for the conceptual design in support of the redesign for the CTC. He stated that there is an 11 page document in the packet and it went out on January 12th. He stated that there is a mandatory walk through on January 27th where they will go through the building. He stated that this is not working with a construction manager this is just getting concepts. Austin asked when the RFP's are due back. Rivers stated February 16th.

Curriculum and Activities: None

Policy Committee: None

5.4 City Council Update: None

5.4 Student Representative Report-Shayna Kelly: None

6. ACTION ITEM:

7. NEW BUSINESS:

8. OLD BUSINESS

8.1 Vision 20/20 Committee: Paradis stated that the next meeting is on January 26th at 3:30 at Sumner Country.

8.2 Budget: None

8.3 CTC Renovation Update: Paradis stated that after the RFP's come back they go to Marie and the Building Grounds and Transportation committee and then they will come to the full board. She stated that they will interview them in March and select a firm in April and then they will start the JBC. She stated that Lori showed us the new logo for the Tri City CTC centers and they had more discussion on the educational pathways. She stated that the next meeting will be in March. Gibson asked if we are incorporating components of flexibility into the design concepts because twenty years down the road we won't have the same equipment. Supt. Mosca stated that as we move forward that will come out in the conceptual design work. She stated that there will be a cost associated with that flexibility.

8.4 Start time of Meetings: Austin stated that if you recall at the last meeting he brought up the discussion on start times of meetings and whether we want to make it earlier or leave it as it is. Hiller stated that it seems like the last meeting was not televised but she hasn't heard from anyone so we should go another month. Austin stated that is a good point thank you, but he would also like to hear from the board. Gibson stated that personally moving the meeting might be difficult for his work schedule as 7:00 is right on the edge so it is easy to work around. He stated that he is also involved in negotiation so his early outs from work are tied up with those meetings. Austin stated that they will continue to follow up on this.

9. FUTURE MEETING DATES/SUGGESTED AGENDA ITEMS:

- **January 14 2015- Rollinsford School Board Meeting**
- **January 15 2015- Somersworth School Board Meeting**
- **January 22 2015- Somersworth Budget Workshop**
- **January 27 2015- Somersworth Board Meeting**

Austin stated that it is very likely that we have a budget workshop before the meeting on the 27th at 6:00 as we have a lot of work to do before February public presentation to be ready to submit in March.

10. CLOSING COMMENTS

10.1 Visitors: Angela Ficco stated that Dan Orzechowski says hi. Ed Olson and Ginny Hahn thanked the board for the extra work and they asked really good questions and they appreciate all they do.

10.2 Board Members: Rivers stated that there is a lot in the media about later start times for the high school and asked if that is up for consideration. Joanne Pepin stated that she was personally invited with Rene to speak to Amy Michael's class and she would like to thank them. She stated that the students were informed and very inquisitive and their questions were thought out and extremely respectful. She stated that she thinks our teachers and administrators do an outstanding job.

11. NON-PUBLIC: A motion made by Paradis seconded by Joanne Pepin to exit into nonpublic session in accordance with Chapter 91-A: 3II (b) Personnel. VOTE: motion passed, unanimously. Entered into nonpublic session at 7:55pm. A motion made by Joanne Pepin seconded by Paradis to exit out of nonpublic session. VOTE: motion passed, unanimously. Exited out of nonpublic session at 8:16pm.

A motion made by Paradis seconded by Joanne Pepin to accept with regret the retirements of Perry Cayes and Sandra Crockett. VOTE: motion passed, unanimously.

12. ADJOURNMENT: A motion made by Paradis seconded by Gibson to adjourn. The meeting adjourned at 8:18pm.

Board Secretary