



# Marco Island Charter Middle School

1401 Trinidad Avenue • Marco Island, Florida 34145

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## APPROVED MINUTES

### MICMS BOARD MEETING - Monday, June 7, 2010 @ 6:00

#### AGENDA

- I. Call to Order – Jennifer
- II. Roll, Pledge of Allegiance - Jennifer
- III. Approval of Agenda – Jennifer
- IV. Approval of Minutes – Jennifer
- V. Public/Staff Comments – Jennifer
- VI. Employee Health Insurance Benefit - Jennifer
- VII. Fundraising Calendar for 7/1/2010 – 6/30/2011 – Jennifer
- VIII. Job Description for Teacher on Special Assignment/RTI - George
- IX. Fundraising Report – Jennifer
- X. Treasurer's Report – Jim + George
- XI. Other Business
- XII. Adjournment

Next School Board Meeting will be scheduled for 6:00 pm on Monday, August 23, 2010 at the School.

#### Roll Call:

**Jennifer Tenney (JT)**, President  
**Dr. Norka Malberg (NM)**, VP  
**Jim Young (JY)**, Treasurer  
**Cathy Cleary (CC)**, Secretary  
**Bill Hollowsky (Bill H)**

**Lisa Meurgue (LM)**  
**Elizabeth Summers (ES)**  
**George Abounader (GA)**,  
Principal/CEO, ex-officio non  
voting member

Absent: **Bill Morris (Bill M)**

Also in attendance: Maria Hayden, Comptroller

**Approval of Agenda:** Additions changes – GA to add financial info.

**Motion by ES to approve agenda. Second by Bill H. Motion passed unanimously.**

**Approval of Minutes:** Bill H - correct one item to show JY will work with auditors.

**Motion by BH to approve minutes with changes. Second by NM. Motion passed unanimously.**

**Public comment:** None

#### Employee Health Insurance Benefits:

JY - New Quotes came in. Agents available with presentations.

JT – Questions to address: Will benefits be the same? If so, show deductibles for comparison; What will be the cost?

Summaries of submitted proposals presented by the following agents:

1. David Taber, incumbent agent
2. Michele Sanchez, M5 Insurance Group
3. Greg Havemeier and Dan Thompson, Gulfshore Insurance

A summary of presentations and Q&A outlined below. Refer to attached proposals for detail and itemized recommendations.

**David Taber** - Proposed self funded plan has worked well since 2005. Summary of claims activity shows consistency of group. Changes in group size and number of family units increased. This year was a bad year because of four large claims.

JT – Q: With current plan, are we responsible for up to 20K per employee per year?

There is a second policy, so regardless of how many claims come in there is a cap of \$108,000. That is what changes radically when there is a bad claim year.

Ultimate renewal came to a 30% increase. Built in protection comes from individual stop loss insurance and aggregate stop loss insurance.

By funding to the maximum cost we've created a reserve difference between the maximum cost and actual cost for extra security.

This is the first year claims will exceed aggregate.

Current plan: \$500 deductible; 80% coverage; \$20 co-pay for office visits; Co-pay for drugs.

Suggested Options:

- Alternative: Increase deductible to \$1,000.00.
- H.S.A plan w/ \$1,500 deductible; 90% coverage.
- Shift costs onto employees. With higher deductible, higher out of pocket and co-pay, we could continue the fixed cost and aggregate will go down.
- Use reserves to offset claims.
- Third plan H.S.A not compatible.
- Alternative from Cigna: A self funded plan available if health questions are submitted from employees. Quote contingent upon health of group. We won't know until after underwriting.

Bill H – Test takes how long?

About a week.

- A number of different Cigna plans \$500 and \$1,000 deductibles.
- Third plan Pg 8. Cigna H.S. A. \$1,500 deductible. 80% coverage.
- Illustrated Level Funding plan 6 can duplicate current benefits. Maximum is paid and after a year plus three months if claims exceeded expected number you can get back up to 66% of the positive number, if claims are positive. Security of fully insured, with lower costs.
- Plan 8 interesting H.S.A. plan in the budget, but there is a reduction of benefits.
- ata something worth thinking about. Subsidize some of the cost if you hit the aggregate. Unusual approach but makes sense.

The reserve can be used for anything. The experts feel reserves should be protected for employees, but can be used to pay premium. Keeping benefits the same plan works pretty well.

Bill H. - We've requested the reserve to be refunded. We haven't requested it yet?

Maria Hayden, Comptroller -Process hasn't started yet.

Bill H - At the last meeting we decided to get it...

It just takes a letter.

Maureen Marcoux, teacher – If you look at paid claims... Everything should go up so much; if you take away the heart problem – we are only 5K paid claims, why would it go up so much? To go from 2009 to 2010 it doesn't look like that big of an increase.

Claims are incurred. Claims incurred July '09 are paid 2010. Not a complete year. It takes two or three months for those to be paid, plus for a certain period beyond plan year. They annualized that number and...

Maureen Marcoux, teacher – whether it is 10 months or 12 months...

MH – JY (?) - We are already in excess if aggregate and we have 2 months to go.

They've lost money on this account.

If claims improve, then the following year will be better. The smaller the group, the riskier it is. For a 1,000 employee company the risk is spread through more people. It could happen again, and then we will have to go into the fully insured market place.

JT – Cigna is competitive.

Yes. The first year will be a super deal.

JY - You have to be medically underwritten. It is not a guaranteed number. All employees have to fill out the form. Then they come back with a quote.

ata renewal is not that bad. If offer is not acceptable, you get your money back. It's getting tight.

**Michele Sanchez – M5 Insurance Group.** Emails went out over the weekend to board members. Comparisons are difficult as these are totally different concepts. Considering potential loss is the key. With \$20K per employee per year - that is still a lot. With a fully insured plan you have hard fixed costs. Yes, there are increases. I looked at different carriers to come up with two options from Blue Cross Blue Shield. These two options are fully

insured plans with similar benefits employees are enjoying now. Deductibles are shown on page 2 and 3 of proposal.

- Plan A: Similar features to current plan. Fixed hard costs, so no rebate like current plan. You know what your costs are and that's all. Very similar to current plan.
- Plan B: 12% increase from current plan; Lower costs. Financial features differ. Deductible higher. Hybrid of a self funded and a more fully insured plan. You could allocate a certain amount per employee to that health reimbursement account to offset. In the case of a bad year, they would dip into the account. Money in the health reimbursement account is employers, so they roll over if...

Example of how current plan works: If you had a \$50K hospital bill with \$500 deduct. Of that 50K the \$500 deductible is the employee's responsibility. After that the insurance kicks in. With the current plan we have 80/20 after initial deductible. Now you are on a cost sharing basis w/ the company until you reach the maximum. For that bill you pay the first \$500, then pay 20% until you reach the max of \$3500.

Co-pays are different. Any deductibles are waived. Everyone wants that predictable cost. If referred out for additional testing that's where co-insurance comes in. There are benefits to the fully insured plan. You are paying more fixed costs, which won't change. They will go up the following year.

Because these aren't experienced rates. They could go up or down 15% once underwriting gets information from enrollment forms. If group healthy then you will prob. look at 5-15% reduction of these figures.

#### **Greg Havemeier and Dan Thompson, Gulfshore Insurance**

Self insurance just won't work - for our size, self insurance is too risky. Hoping everyone stays healthy is a roll of the dice

Recommendation: 100% fully insured. See page 4 of proposal.  
H.S.A. built on P.P.O. network and a health savings account.

On surface \$3,500 individual deductible and family out of pocket max of \$7K.  
Fully covered (no co-pay): Preventive physical exams; All well child care; Immunizations; w/in age freq. colonoscopies; Pap and lab; OB well visits; wellness benefits.  
No more costs after \$3,500. (Comparisons to Cigna – co-pays add up; prescriptions. Children w/ chronic diseases. Prescription co-payments are a water faucet of cost). Once deductible and out of pocket max met it is 100%.

**Example of an incentive approach** - school contributes \$1000 per employee per year. Annual out of pocket goes to \$2500 individual; family out of pocket \$6K. Two largest costs are hospitalizations and Calendar year's deductible. (Cigna plan has imbedded deductibles. Cigna plan or if you go back ata, it is a disaster waiting to happen).

H.S.A flex savings doesn't run out at the end of the year. If you don't use it, it grows. It does work relatively well. If you have the well visits covered and you go a couple times you already have the \$1,000 contribution by the school. We tried to keep the net costs. (There is no guarantee you are going to get the reserve back).

Wellness committee set up – talk about results programs bringing in physicians. But if person is making an attempt to be healthy we provide incentives such as signing a non-tobacco agreement; having/achieving a healthy BMI range; attending health related seminars by cardiologists, nutritionists etc. Incentives offered to help the overall group to keep costs down.

JT – ... It increases the burden on the employee. Employees faced with high monthly prescription costs, rather than the small co-pay. If you are healthy...

A couple thousand dollars can be put in up front.

For a Heart condition or Breast cancer as an example. An average 70K – 80K worth of bills could accumulate. Granted there are examples – at the end of the day it is a collective solution with the support of an agent. Winn Dixie has a generic price match program. During open enrollment meetings, we can put the generic drug list in packet.

JY –Look at total out of pocket max not just deductible.

Michele Sanchez – clarify the 500 and 3000 out of pocket is not inclusive of 500 deduct. It is in addition to.

JY – Straight savings if you don't have any claims. Family out of pocket only subject to \$4K for the entire year, under current plan it is \$6500; Cigna \$7K.

JT – The payments seem front-loaded. Rather than paying over time... each time you pay it is a big burden.

Besides the money from employer side, the employee can put in pre-tax dollars. That is a significant difference. You don't have to stop at medical.

JY – H.S.A. can be used for anything health related.

Layering: through pretax plan employee can purchase hospital supplement. Utilize H.S.A. account, then they have an Aflac that covers the hospital stay – there are things to mitigate that risk.

Maureen Marcoux, teacher – ... a teacher is (earning) 50K w/ 1% raise; they are taking a huge pay cut. \$200 per month. I don't see people buying into this. Staying w/ current plan, having the employees pay in some ea month to make it work is one thing. If you look at the monthly premium, most are employee only. I see a lot of negativity.

JY – the school would be giving you \$1000. The school can set it up any way we want.

For those who don't take stock in their health – they will have a little more out of pocket.

JY – for the person who doesn't go to the doctor, well-visits are free. H.S.A money is employee's (for health related expenses). It does roll over.

Terese Glasser, teacher – what if someone doesn't take insurance?

JY – I don't know the answer... are there employees who don't take insurance?

Terese Glasser, teacher – Yes.

Maureen Marcoux, teacher – to continue w/ what we have ...

JY – 65K increase to continue.

Blue Cross accepts carryover deductible.

Maureen Marcoux, teacher – if you took the (reserve) money and went with the current plan; then...

JY – We can use that \$98K toward any of the plans.

NM – Thompson's price is set. Not an estimate.

JY- Maximum out of pocket (pg 18) of David's presentation -Renewal part of David's plan is shifting \$10K of the cost to employee who has family, child, or spouse coverage.

For those 10 people they will be paying \$1,000.00 more in premiums. H.S.A.'s are driving healthy individuals to bring your costs down. You've seen the costs increase. We cannot be sitting here five years from now looking at \$500K.

We want our employees to be healthy.

JY – We could possibly be in a situation where we don't get the (reserve) money back..

JT – Plan 6 keeps benefits exactly the same, while bringing down costs, although slightly higher for families.

BH – When are the contract renewals?

GA – Employees are leaving this Friday. I would like to sign them before we leave.

JT – We aren't increasing the deficit that much.

JY- If you are willing to have another meeting. Have the underwriting done...

Bill H – We could see the self funded go to 350K...

JT- H.S.A could change just as drastically.

JY – For the people with real medical conditions it will be cheaper.

Terese Glasser, teacher – Why is this just being looked at? A lot of teachers are going to be really upset. If this has been discussed step by step, then it would be different but we are leaving on Friday...

ES - Keep what we have for now... Three days before summer, we can't just tell teachers...

JY – ...family coverage costs are going down drastically.

Maria Hayden, Comptroller – Cigna is not unreasonable, w/ 9% increase.

Maureen Marcoux, teacher – I understand you have to control costs ... even to go w/ Blue Cross Blue Shield, and take some of the money that's ours, and make it equal for one year and start working toward... It still seems as though you can go with the new plan and...

LM – What is the plan for the reserve money?

JT – You can hold it to pay another year... then if you have a worse proposal we have nothing to work with...

NM – We could cover most of the costs to give them a year to get used to it. If we just postpone it we will have to do all this again. Nationally there is a change...prevention will become much more of a focus. Funding 3K of 3500 deduct.

JT – To me that's like blowing the \$100K in one year.

NM – Is it sustainable?

JY – You have to focus on cost to the school and cost to employee.

Renewal plan \$208,700...difference is increase to employee with family and \$45K increase from the current plan year.

Plan 6 is \$10K increase to employee and decrease to school by \$3K...

H.S.A from page 18 (focus on three plans) this \$285K - if you ran all numbers on H.S.A its only \$169K...

ES – ...when you've got a deductible and the co-pay – if you go a lot it can add up to even more... it does make a difference for you.

JT – This is a huge change at this point – don't have a problem if we fund the H.S.A accounts, so it's close. What concerns me is this is not a sustainable...

LM – You don't know what is going to happen next year on the other one either.

JY – Some won't be happy. Someone with medical costs will pay 2,500 not 4K, and the people with dependant care, premiums will go up substantially. With the new plan they will be happy...

Bill H - It is the total out of pocket cost. What if we took some of the reserve fund and put in \$2,000 and an incentive plan; out of pocket expenses are going down; you don't have co-pays and well-care is paid...

**Public comment:**

Parent – If something major happens, you don't want to be dealing with all the details w/ co-pays etc. On the side of teachers, they would like insurance to take care of the big things... if the school pays deductible we will be saving money for teachers.

Maureen Marcoux, teacher – if we are to put 2K in their H.S.A's and it stayed in their account; then the following year add less, personally, I don't see it as a big deal. Change will be huge for some people. Some can start their own – pretax only saves on federal tax...Not FICA/Social Security etc.

GA – With the H.S.A, at the end of three years you have \$3,600 money in account and you get a job somewhere else... whose money?

H.S.A money is yours – if you roll it over it is not taxable. It becomes income if you spend it on something else. Additional help for those uninsured...

JY- to put \$2K into an H.S.A, cost to school is 179K (this year cost 161K)

Michele Sanchez – If I had known this was a consideration (from information provided) I would have proposed an H.S.A, because I believe in them. It will make more responsible health care. Change is big – for people who are healthy it is part of the multifaceted approach we need to have in this country – I think it's a great idea.

Maria Hayden: It is a calendar renewal – Even if we do fund...you will have to fund it next year...

Off anniversary plan change – we can submit a request for an off anniversary...

**Motion by Bill H to accept Gulfshore Insurance proposal (Blue Cross Blue Shield option) July 1, and fund each employee's H.S.A. by \$2K.**

**Motion Passed unanimously.**

**Move fundraising calendar to next meeting.**

**Job description:** someone to help with RTI

JY - Before we decide to hire anybody and bring it back to the board...

JT – We already approved...

JY – No, we approved hiring existing (employees). Our next meeting doesn't have to be Aug 23<sup>rd</sup>

RTI position Recap: Because of anticipated federal requirements for tier 2 of "No Child Left Behind" we have to work with smaller groups of students...we will need staff to deal w/ students, an RTI teacher to help as reading and math coaches.

GA - When we approved tentative budget (in April) – the RTI position was part of that budget.

NM - Job is to coordinate in a way; teacher would go into the classroom; some students would be pulled out. Some administrative responsibilities; coordinating instruction to teachers; Someone w/ administrative capacity; also want someone with core certification, but ESE.

JY – It has not been determined whether it is required...

GA – Scores aren't in... Something will have to happen, we will have to break down groups...we are scheduling kids now and... trying to be data driven. The state will ask us what we have done in each tier, then we will have to show how we've managed interventions.

CC – Are there other options, such as utilize existing staff/teachers to work with these students?

We could compensate them for additional responsibilities to be carried out during planning

periods or on their own time. We could pay \$5K to two, three, or four different teachers to work as a team w/ those students that need it, costing 10K to \$20K rather than \$50K.

ES - I thought this was already in the budget.

**Motion by ES to approve the RTI job description. Second by JY.**

**Bill H indicated wanting more discussion.**

BH – It was included in the budget, however the motion was to approve hiring existing staff.

We are addressing hire need.

JY – Regarding education experience: Put \$50K as first year person?

GA – I would take a current teacher and move them into this position, and hire first time teacher for another position.

BH – Do we have someone interested?

GA – It hasn't been posted yet. It is the Principal's prerogative to make assignments:

JY - It wasn't required as of yet; it might be...

GA – I cannot determine based on what we need...

JY - ...In the past you said we might need this person. When grades come in we would know. We didn't say to go hire this person – there was a question as to the need...

BH - If he needs more time to look at the grades, we could approve the job description as something separate.

NM – ...you did not know the number of kids that will have that kind of need... we have a problem two levels. In reality we don't have to wait for the test scores, and on top of that there is a movement the district will require that...

JY – Differentiate the need and want... This position wasn't mandated... we don't want to add another employee...

JT – With all the information that GA has, that is his recommendation. We approve description -

**Motion by ES to approve RTI job description and give GA the authority to hire an RTI person if needed. Second by LM.**

**Motion Passed 5 to 1. (In favor: ES; LM; JY; BH; NM. Opposed: CC.)**

**Motion by ES to move fundraising to next meeting. Second by Bill H. Motion passed unanimously.**

**Motion by JY to move other reports to next meeting. Second by NM. Motion passed unanimously.**

### **Other Business:**

- Athletic fund issue: (JY) Will Mr. Raymond fund the \$5K from the athletic fund to meet Mrs. Bott's request, as discussed at the last meeting?  
Maria Hayden, Comptroller - Haven't gone through numbers... Will do it before June 30<sup>th</sup>.

- Board member issue: (JY) Is NM planning on resigning in August?

NM - yes.

JY - So what will be the board's intention - to move to election or appointment?

JT and Bill M terms are up in November

Bill H – The bylaws indicated it may be filled. We are not required to fill that position.

Intent will be to put the seat up for vote.

JY – Why wouldn't you do that today?

JT – We are not going to get into this now...

**Motion to adorn by LM . Second by ES...**

JY – ... there is discussion going for other business. She hasn't formally resigned – I asked for intent...

NM – I have no say. You have the choice. I think there should be an election, but it is in November – I can call in - I have no problem with that for three meetings.

ES – We would be more than happy to have you do that.

**Motion to adjourn by LM; Second BH. Motion passed unanimously.**