



A New World of Benefit Programs

Catching up with the changes to school district employee benefit programs

Breanna Hellenbrand of M3 Insurance Solutions, Inc. detailed current trends in school district employee benefit programs and identified a number of important considerations for school boards to assess as they change or restructure employee benefits.

When looking at the current state of school district employee benefit programs, Hellenbrand noted the following:

- School districts continue to include consumer-driven elements within the structure of their group insurance benefits, including modified deductibles and co-payments. In some cases, these are combined with the introduction of employer-funded and employer-controlled Health Reimbursement Arrangements (HRAs).

- School districts are also taking active steps to manage their post-employment benefit obligations, including transitioning to a defined-contribution benefit structure (e.g., by implementing HRAs for retirees) and mandating retiree enrollment in Medicare supplement plans.
- With less frequency, some public employers have implemented a high-deductible health plan that permits the employer to offer highly portable, fully vested Health Savings Accounts (HSAs) to eligible employees.

Session Details

TITLE *Patchwork Quilt: The Changed Landscape of Wisconsin School District Benefit Programs*

PRESENTER Breanna Hellenbrand, M3 Insurance Solutions, Inc.

- In order to obtain more competitive pricing, some school districts are looking at changing the structure of their long-term disability benefit to conform to the typical policies offered in the market. Such a change might be combined with a decision to offer employees optional short-term disability coverage and/or workplace supplemental insurance policies that would provide illness or injury-related benefits that the employee may use to pay for

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costs that are not covered by other insurance.

- There is also growing interest in the formation of new inter-district benefits cooperatives that, among other goals, seek to control costs by increasing the groups' bargaining leverage with insurance carriers.

With a school board's increased freedom to determine the benefits package that the district offers to its employees, Hellenbrand cautioned that there are a number of key details to assess during the plan selection process that go beyond comparing each plan's stated coverage and premiums.

As one example, school officials should account for any differences in COBRA administration procedures and, more generally, ensure that they understand the extent to which selecting a particular plan may result in the shifting of any new administrative obligations (and costs) to the school district. Another key issue to be addressed when changing benefits is the extent to which each plan and

carrier will accommodate district retirees who, in some cases, have a vested right to certain benefits.

Another, perhaps slightly counter-intuitive caution is that employers can find themselves in the situation where they "overbid" their benefits. For example, if an employer uses every fiscal year as a chance to bid and potentially change insurance carriers, the carriers may react by submitting bids that do not reflect their most competitive pricing. This may happen because of the carrier's concern that, shortly after the employer's initial transition to the carrier is complete (which involves costs to the carrier associated with processing applications, engaging in employee education, aligning administrative procedures with the employer, etc.), the employer may drop the carrier.

As they look to the future, attendees expressed a need for school officials to begin to better understand exactly how federal health care reform may affect districts' future benefit options, structures, and costs. ■



Breanna Hellenbrand of M3 Insurance Solutions, Inc. outlined the many changes in school district employee benefit programs.

STEM Learning in Action



At this year's State Education Convention, school leaders had the chance to tour two leading schools in the Milwaukee Public School (MPS) system.

Bradley Tech High School and Escuela Vieau K-8 are two of 28 MPS schools that have model STEM learning initiatives in place. Both schools use the Project Lead the Way (PLTW) curriculum to bring robotics, engineering, computer science, urban agriculture and a number of special classes and opportunities to students.

School board members and administrators visited Bradley Tech and Escuela Vieau and interacted with students at work on hands-on projects. The STEM learning initiative in MPS schools is impressive in the size of the program but also in its scope. Students in grades 6-12 participate, students in higher-level classes can earn college credits, and there is an extensive professional development system in place for educators. □