

Schooling Health Care Reform

Wrightstown Community School District has big plans for the future

Like Wrightstown Community School District Superintendent Carla Buboltz, many civic leaders — as well as business owners and executives — are seeing their job descriptions evolve. Health care reform, along with escalating health insurance costs in general, are demanding more of their attention than ever before. A recent survey by the U.S. Chamber of Commerce says the effects of the Affordable Care Act (ACA) are now the top concern for organizations, edging out general uncertainty about the U.S. economy.

While school district superintendents and other civic leaders don't have to deal with the same problems as business owners, some find they often must run their organizations like a business.

"For the first time, we've had to sit down with our staff and talk about managing our costs, about health insurance and work hours and related issues," Buboltz says. "Those were some of the toughest meetings I've ever had."

Today, superintendents must become knowledgeable — if not experts — about issues like health care and insurance.

"Like Carla, they also must become resourceful," says LuAnn Boyea, who is Wrightstown Community School District's benefits consul-

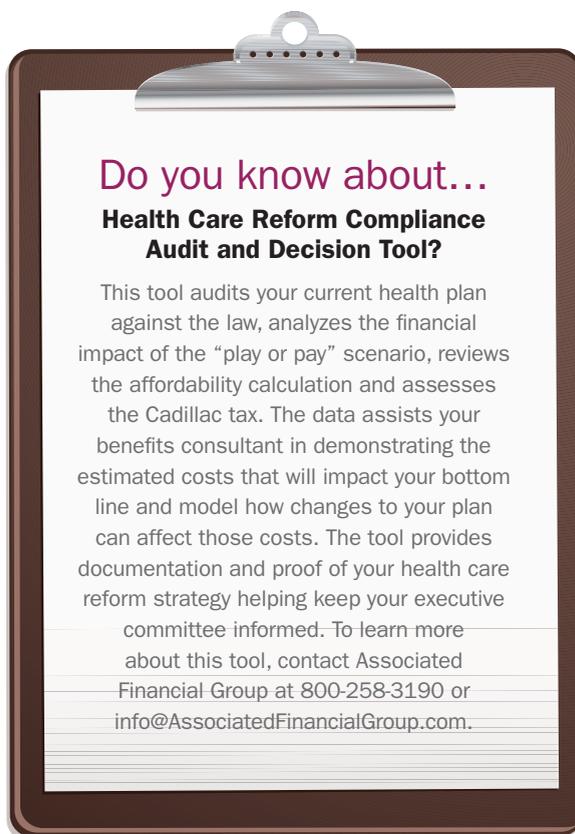
tant from Associated Financial Group.

"Civic leaders need to be good at finding and using the right business resources that are available. Because health care reform is new and ever-evolving, it can be a skill in itself just to find the right expertise in this area. There's a lot of misinformation out there. And there's no one-size-fits-all strategic plan."

Strategic Planning

To form the basis of its strategic plan, Boyea provided Wrightstown with a Health Care Reform Impact Study. "This helped identify what the district must do to comply with ACA's requirements and what cost impacts compliance will have," says Boyea. "Then we needed to come up with a strategic plan that brings costs down to a manageable level while still providing a competitive employee benefits package."

For Wrightstown, the ACA's "play or pay" provision that takes effect in 2015 has significant cost impacts. The provision requires



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organizations that employ at least 50 full-time workers to offer affordable health insurance to employees. A key detail of the provision is that full-time workers are defined as those working a minimum of 30 hours per week. Employers that do not offer coverage will face a \$2,000 penalty per employee per year.

“We currently have staff members who work over the 30 hours and are not offered insurance,” says Buboltz. “And they’re okay with that. That’s the position they took. Now with the ACA we, by law, will need to offer them insurance. The cost impact of that is \$350,000, a huge increase. And that’s not going to happen. We don’t have those kinds of dollars. If we incur \$350,000 more in health plan costs, that’s less dollars we have for teachers in classrooms and student achievement — our top priorities. And the penalty for not complying – for not offering insurance to these newly qualified employees — is only a little less, something like \$225,000.”

Several other strategic planning items were included in the Health Care Reform Impact Study as well, like the “affordability” issue and the so-called Cadillac tax.

“Even though some mandates, such as the Cadillac tax, won’t take effect until 2018, we need to complete our comprehensive strategic plan now,” Buboltz says.

“If our short-term steps don’t line up with our long-term plans, we won’t be able to make strategic changes in 2018.”

Buboltz discussed these issues with her staff and worked out a plan. These discussions, according to Buboltz, were some very challenging conversations.

Communication and Education

“We’ve had to reduce all of our paraprofessional roles down to below 30 hours,” Buboltz says. “That’s where communication and education come in to explain why, to lay out the different options, and to show what we need to do.”

Employers should use all available forms of communication — in person, electronic, paper, and audio/video — to effectively get the message across. Buboltz believes difficult messages should always come from top leadership.

“I’ve taken a very active role in these discussions because the message needs to come from me,” she says.

Buboltz says she values her district’s open and supportive culture now more than ever; a positive culture is just as important as a strategic plan for persevering through difficult times. She is determined to maintain these positive values by demonstrating them herself. “We need to face these challenges and changes by working together to benefit the staff, students, families, and taxpayers of the Wrightstown Community School District.”

“Most of the meetings and communications with staff involve myself partnered with an Associated Financial Group representative, who sometimes speaks before me and sometimes after,” she says. “We’ve done many person-to-person meetings, some small groups and some large groups. And we often follow up with written communications.”



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Health Care Consumerism

Buboltz says health care consumerism is the key to everything. There's no strategic plan that will work unless employees are "consumers" rather than "recipients" of their health care. The district's strategy and health plan design depends on employees being engaged in their health care.

Currently, Wrightstown Community School District offers employees five different health plan options. "They are based on the providers our staff is looking for," says Buboltz. Not surprisingly, two of them are consumer-driven options — one uses a health reimbursement account (HRA) and another uses a health savings account (HSA). Eventually, the traditional options will probably be dropped, but Buboltz says it's best to introduce change gradually when possible.

How is health care consumerism essential? "Our district and our

school board came up with a sort of innovative approach that encourages consumerism," Buboltz says. "We negotiated a cap on spending for each employee enrolled in our health plan." If an employee chooses a health plan that exceeds the cap, the employee will have to pay the difference out-of-pocket. Therefore, all employees have an incentive to choose an economical health plan and make wise health care choices.

"It creates a sense of urgency when they know their pocketbook will be impacted," Buboltz says.

Leading by example, Buboltz has become a meticulous health care consumer herself.

"I chose the lowest-cost plan with the narrowest network because almost all of our doctors

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were in that plan," she said. "Except for my son — he sees a doctor who is not in that network. Moving to a plan that covered him would have cost me about 8 percent more. And I thought, 'You know what? I can use my health reimbursement account to help pay for that one doctor — to pay-out-of-pocket. I will still be paying much less for insurance even if I pay out-of-pocket for that doctor compared to what it would cost moving to a plan that covered him.' I became a consumer of my insurance instead of just a recipient of it."

With the right communication and support, Buboltz is optimistic about her district leading the way through health care reform as health care consumers. ■

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