

WESTPORT BOARD OF EDUCATION

***AGENDA**

(Agenda Subject to Modification in Accordance with Law)

PUBLIC SESSION/PLEDGE OF ALLEGIANCE:

7:00 p.m., Staples High School, Cafeteria B (Room 301)

RECOGNITION/RECEPTION: 2018 Westport Teacher of the Year

ANNOUNCEMENTS FROM BOARD AND ADMINISTRATION

PUBLIC QUESTIONS/COMMENTS ON NON-AGENDA ITEMS (15 MINUTES)

MINUTES: August 28, 2017

UPDATES:

- 1. Innovation Fund Dr. Colleen Palmer

DISCUSSION:

- 1. Health and Medical Insurance Revenue and Expenses FY17 End of Year Report, *page 1* (Encl.) Mr. Elio Longo
- 2. Health and Medical Insurance Revenue and Expenses FY18 as of July 31, 2017, *page 3* (Encl.) Mr. Elio Longo

ADJOURNMENT

*A 2/3 vote is required to go to executive session, to add a topic to the agenda of a regular meeting, or to start a new topic after 10:30 p.m. The meeting can also be viewed on cable TV on channel 78; AT&T channel 99 and by video stream @www.westportps.org

PUBLIC PARTICIPATION WELCOME USING THE FOLLOWING GUIDELINES:

- Comment on non-agenda topics will occur during the first 15 minutes *except* when staff or guest presentations are scheduled.
- Board will not engage in dialogue on non-agenda items.
- Public may speak as agenda topics come up for discussion or information.
- Speakers on non-agenda items are limited to 2 minutes each, except by prior arrangement with chair.
- Speakers on agenda items are limited to 3 minutes each, except by prior arrangement with chair.
- Speakers must give name and use microphone.
- Responses to questions may be deferred if answers not immediately available.
- Public comment is normally not invited for topics listed for action after having been publicly discussed at one or more meetings.

Medical Health Insurance Fund
FY 16-17 End of Year Fund Balance (Unaudited)
with Claims Cash Draw Data as of June 30, 2017

	FY 17 Projection	FY 17 Projection	FY 17 Projection	FY 17 Projection	Actual	Actual to Mar-17 Variance	
	Mar-16	Oct-16	Dec-16	Mar-17	Jun-16	\$	%
Cash receipts							
General Fund Budget from line 210	12,956,551	12,956,551	12,956,551	12,956,551	12,956,551	-	0%
Other Fund Contributions	100,000	100,000	100,000	97,160	97,610	450	0%
Employee Contributions (Active)	2,964,727	2,817,521	2,817,521	2,750,311	2,761,227	10,916	0%
Flex Spending Accounts							
Cobra Participants	17,556	70,051	46,700	46,700	60,849	14,149	30%
Retirees Self Insured	395,900	395,900	453,326	398,375	401,341	2,966	1%
State Teachers Retirement (TRB)	150,000	150,000	150,000	121,152	121,152	-	0%
Life Insurance Premiums	25,000	25,000	25,000	25,000	29,778	4,778	19%
Retirees Medicare Surround	478,374	478,374	479,272	490,838	509,719	18,881	4%
Other Contributions (FMLA, Retiree Life, etc.)	64,500	64,500	64,500	52,000	41,251	(10,749)	-21%
Prescription Guarantee Adjustment	57,351	57,351	57,351	57,351	57,351	-	0%
Pharmacy Rebate	248,617	248,617	248,617	326,209	326,209	-	0%
Demutualization Proceeds			183,670	183,670	183,670	-	0%
Anthem Checks			43,000	43,000	43,204	204	0%
Total cash receipts	17,458,576	17,363,865	17,625,508	17,548,317	17,589,911	41,594	
Cash disbursements							
Medical	11,689,283	11,364,796	11,482,064	11,359,538	12,068,116	708,578	6%
Prescription	2,293,113	2,229,458	2,522,297	2,495,382	2,298,689	(196,693)	-8%
Dental	1,161,944	1,097,906	1,105,652	1,091,812	970,233	(121,579)	-11%
Flex Spending Accounts							
Contribution to HSA	1,118,000	1,150,000	1,150,000	1,150,000	1,167,753	17,753	2%
Medical Administrative	423,212	410,897	423,875	421,437	420,684	(753)	0%
Network Access Fee	160,721	157,978	159,972	159,051	158,861	(190)	0%
Individual Stop-Loss	754,286	745,203	754,607	750,627	746,315	(4,312)	-1%
Dental Administrative	54,127	54,464	54,758	54,354	54,331	(24)	0%
FSA Administrative	2,931	2,931	2,000	2,000	3,000	1,000	50%
Consulting Fee	45,000	45,000	45,000	45,000	45,000	-	0%
ACA Related Fees	54,486	53,082	53,271	53,271	53,271	-	0%
PCORI Fee	4,197	4,089	4,102	4,102	4,310	208	5%
Retirees Medicare Surround	785,478	785,478	785,478	785,478	804,048	18,570	2%
Total cash disbursements	18,546,778	18,101,282	18,543,076	18,372,052	18,794,610	422,558	
Change in cash balance	(1,088,202)	(737,417)	(917,568)	(823,735)	(1,204,699)	(380,964)	
Beginning cash balance	3,238,887	3,238,887	3,238,887	3,238,887	3,238,887		
Insurance Fund Draw Down (budget)	(1,532,375)	(1,532,375)	(1,532,375)	(1,532,375)	(1,532,375)		
Insurance Fund Draw Down (YTD delta)	444,173	794,958	614,807	708,640	327,676		
Projected Operating Surplus(Shortfall)-Cash basis							
Ending cash balance(deficit)-projection	2,150,685	2,501,470	2,321,319	2,415,153	2,034,188		
Less: Incurred but not reported claims	(968,308)	(968,308)	(968,308)	(968,308)	(968,308)		
Net Position(Deficit) end of year-projection	1,182,377	1,533,162	1,353,011	1,446,845	1,065,880		

5% Floor FY18	\$ 792,734	Excess	\$ 1,241,453.71
FY18 draw:	\$ (1,509,994)		
	\$ (268,540)		-1.7%

Claims Cash Draw Against Insurance Fund Account

	Medical/Rx				Total	Avg. Monthly Claims (Med/Rx/Dental)	Variance	Avg. Monthly Claims-FY 16	
	Medical/Rx	Dental	Flex	Other				(Med/Rx/Dental)	Variance
Jul 2016	\$ 1,021,997	\$ 81,164	4,139	\$ 127	\$ 1,107,427	\$ 1,103,161		\$ 1,136,451	
Aug 2016	\$ 1,641,748	\$ 107,702	4,295	\$ 1,199	\$ 1,754,944	\$ 1,426,306	\$ 323,145	\$ 1,251,815	\$ 115,364
Sept 2016	\$ 1,290,882	\$ 86,597	6,226	\$ 477	\$ 1,384,182	\$ 1,410,030	\$ (16,276)	\$ 1,332,250	\$ 80,435
Oct 2016	\$ 1,184,557	\$ 87,931	8,103	\$ -	\$ 1,280,591	\$ 1,375,645	\$ (34,385)	\$ 1,225,810	\$ (106,440)
Nov 2016	\$ 940,075	\$ 78,358	16,603	\$ 53,271	\$ 1,088,306	\$ 1,304,202	\$ (71,442)	\$ 1,236,534	\$ 10,724
Dec 2016	\$ 1,181,987	\$ 47,144	14,344	\$ 1,092	\$ 1,244,568	\$ 1,291,690	\$ (12,512)	\$ 1,195,542	\$ (40,992)
Jan 2017	\$ 960,391	\$ 87,505	15,665	\$ -	\$ 1,063,561	\$ 1,256,863	\$ (34,828)	\$ 1,152,548	\$ (42,994)
Feb 2017	\$ 1,197,381	\$ 88,881	8,836	\$ -	\$ 1,295,098	\$ 1,260,538	\$ 3,675	\$ 1,159,185	\$ 6,637
Mar 2017	\$ 1,296,699	\$ 90,454	12,725	\$ -	\$ 1,399,878	\$ 1,274,606	\$ 14,068	\$ 1,179,364	\$ 20,179
Apr 2017	\$ 1,046,062	\$ 57,546	11,413	\$ -	\$ 1,115,022	\$ 1,257,506	\$ (17,100)	\$ 1,186,242	\$ 6,877
May 2017	\$ 1,457,306	\$ 103,940	5,554	\$ -	\$ 1,566,800	\$ 1,285,119	\$ 27,613	\$ 1,186,147	\$ (95)
Jun 2017	\$ 1,147,720	\$ 53,010	10,597	\$ -	\$ 1,211,327	\$ 1,278,087	\$ (7,032)	\$ 1,175,840	\$ (10,307)
	\$ 14,366,805	\$ 970,233	118,500	\$ 56,166	\$ 15,511,704				
YTD/Estimate	103.7%	88.9%	n/a	n/a					
Theoretical YTD Spend Rate	100.0%	100.0%	n/a	n/a					
variance %	3.7%	-11.1%							
variance \$	\$ 511,885	\$ (121,579)							
FY17 Projection (Mar-17):	\$ 13,854,920	\$ 1,091,812							
YTD Expense:	\$ (14,366,805)	\$ (970,233)							
Ending Balance June 30:	\$ (511,885)	\$ 121,579							

**Medical Health Insurance Fund
FY 17-18 Projections
with Claims Cash Draw Data as of July 31, 2017**

	<u>FY 18 Projection</u>			
	<u>Mar-17</u>			
Cash receipts				
General Fund Budget from line 210	13,447,595			
Other Fund Contributions	100,000			
Employee Contributions (Active)	3,058,383			
Flex Spending Accounts	-			
Cobra Participants	49,397			
Retirees Self Insured	479,272			
State Teachers Retirement (TRB)	115,000			
Life Insurance Premiums	25,000			
Retirees Medicare Surround	492,000			
Other Contributions (FMLA, Retiree Life, etc.)	64,500			
Prescription Guarantee Adjustment	98,789			
Pharmacy Rebate	326,209			
Total cash receipts	18,256,145			
Cash disbursements				
Medical	12,060,244			
Prescription	2,649,308			
Dental	1,145,136			
Flex Spending Accounts	-			
Contribution to HSA	1,188,000			
Medical Administrative	388,214			
Network Access Fee	158,676			
Individual Stop-Loss	1,047,898			
Dental Administrative	55,236			
FSA Administrative	2,000			
Consulting Fee	50,000			
ACA Related Fees	-			
PCORI Fee	4,279			
Retirees Medicare Surround	810,747			
Total cash disbursements	19,559,738			
Change in cash balance	(1,303,593)			
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Beginning cash balance	2,034,188			
Insurance Fund Draw Down (budget)	(1,509,944)			
Insurance Fund Draw Down (YTD delta)	-			
Projected Operating Surplus(Shortfall)-Cash basis	-			
Ending cash balance(deficit)-projection	524,244	3.3%	\$ 792,734	\$ (268,490)
Less: Incurred but not reported claims	(968,308)	-6.1%		
Net Position(Deficit) end of year-projection	(444,064)	-2.8%		

Claims Cash Draw Against Insurance Fund Account

	Medical/Rx	Dental	Flex	Other	Total	Avg. Monthly Claims (Med/Rx/Dental)
Jul 2017	\$ 1,385,628	\$ 101,584	\$ 875	\$ -	\$ 1,488,087	\$ 1,487,212
	\$ 1,385,628	\$ 101,584	875	\$ -	\$ 1,488,087	
YTD/Estimate	9.4%	8.9%	n/a	n/a		
Theoretical YTD Spend Rate	8.3%	8.3%	n/a	n/a		
variance %	1.1%	0.5%				
variance \$	\$ 159,832	\$ 6,156				
FY18 Projection (Mar-17):	\$ 14,709,552	1,145,136				
YTD Expense:	\$ (1,385,628)	\$ (101,584)				
Balance available to June 30:	\$ 13,323,924	\$ 1,043,552				
Average remaining monthly allowance:	\$ 1,211,266	\$ 94,868	=	1,306,134		

Avg. Monthly Claims-FY 17	
(Med/Rx/Dental)	Variance
\$ 1,103,161	