

To: All District Employees & Retirees

**From: Shawn M. Yde, Director of Business,
Mark S. Kapocius, Director of Human Resources**

Re: Health Insurance for the 2012-13 School Year

Date: April 26, 2012

The Whitefish Bay School District



In preparation for the 2012-13 budget process, the District hired Hays Company (the 16th largest broker in the U.S. and the fastest growing broker in Wisconsin) to bid its insurance plan knowing that our utilization was likely going to yield a large increase to our health insurance renewal rates. Historically, the District negotiated the terms and conditions of the group health insurance policy with represented employee groups. However, under Act 10, the District is prohibited from bargaining the terms of employee group health insurance coverage

The health insurance bid results (which can be found online [here](#)) indicate that if we remain with our current plan design we will have a minimum of a 12% increase in premiums. Please note that WEA (our current provider) is the low bid. The current total cost of our health insurance is \$4,538,968 and this increase would cost over \$544,000 if we remain on the same plan. The 2012-13 revenue limit only allows Whitefish Bay an increase in its expenditures of \$132,000. This revenue limit increase must cover salaries, fringes, and all other expenditures.

In order to maintain our current staffing levels, the 2012-13 budget assumptions are salary freezes for all employee groups and health insurance costs **can not** increase. Please review the bid results which outline four different plan design options that reduce our costs back to zero. The plan designs can be found [here](#). As these changes are considered, please remember to adjust your Flexible Spending Account Enrollment/125 Plan (which is distributed in early May). Based on last year's survey (also online [here](#)), the District believes it can achieve the balance of honoring employee preferences and making the appropriate cost reductions with one of the following plans. If you would like to provide feedback on the options available, please visit the District's [Human Resources website](#).

Ultimately, with Act 10, the District has the duty and responsibility of selecting the group health insurance. However, the District believes that feedback from an educated workforce on the proposed options will allow for a better decision to be made. Please remember that all of these documents can be found on the District's [Human Resources website](#).

As you know retirees remain a part of the group health insurance until age 65. This letter is also intended to inform them of the possibility that the current plan design may be altered starting on July 1, 2012. If that occurs, you will be receiving information from WEA and new insurance cards.