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Board switches carriers from WEA Trust to Humana despite last-minute protests from teachers

Citing an ongoing need to pare costs, the Grafton School Board on Monday unanimously agreed to change health insurance coverage for district employees.

The decision, which was based on a benefit/cost study by the consulting firm Willis of Wisconsin, switches the district carrier from WEA Trust to Humana and gives employees a choice of two coverage plans — a preferred provider organization (PPO) or a health savings account (HSA).

Both Humana plans will have lower premium costs than the current WEA Trust preferred-provider plan but carry higher deductibles and potentially higher out-of-pocket costs, a trade-off that sparked last-minute protests from several teachers at the board meeting.

Under the current plan, employees pay $92.72, or 12.6%, of a monthly premium of $735.86 for single coverage in network. For family coverage, employees pay $209.95 of a monthly premium of $1,666.24.

The district pays the balance of 87.4% of each premium cost.

Under that plan, employees pay in-network deductibles of $250 for single coverage and $500 for family coverage. For out-of-network care, the coverage deductibles are $500 for single and $1,000 for family.

The maximum out-of-pocket cost for single coverage is $250 in network and $1,750 out of network, including the deductible. The same cost for family coverage is capped at $500 in network and $3,500 out of network.

WEA Trust offered to renew the same plan for another year with increases in the monthly premiums that would require employees to pay $104.68 for single coverage and $237.03 for family coverage.

The new Humana plan, which goes into effect Jan. 1, 2013, provides a PPO option in which employees will pay $87.26 monthly for single coverage and $197.59 for family coverage. Both costs are based on a 12.6% employee cost share.

However, the PPO option doubles the deductibles currently paid by employees for single and family coverages in and out of network.

Employees who choose the HSA option will pay monthly premiums of $44.13 for single coverage and $99.92 for family coverage. The deductibles will be four times higher than those in the Humana PPO plan, though the district will contribute $1,500 to each employee on single coverage and $3,000 to each employee with family coverage.

Maximum out-of-pocket costs are significantly higher in both Humana options, including in-network caps of $3,000 for single coverage and $6,000 for family coverage under the HSA plan.

Before Monday's vote, several teachers criticized the board for not giving them more time to study the coverage options and for choosing a plan they believe will cause financial hardship.

"In some cases, teachers will pay $2,000 more. This is a drastic change in the plan," said Jim Girmscheid, president of the Grafton Education Association teachers union.

Girmscheid said board members and administrators failed to communicate with employees in a timely manner and didn't seek their input before making a decision.

"There is a better way to do things. You don't want to continue to lose high-quality teachers because of this," he said.

Board President Terry Ziegler said he understands teachers' concerns but noted that the decision was made weighing budgetary advantages against adverse impact on employees. Cost-savings measures are crucial because the district will continue to face financial constraints for the foreseeable future, he added.

"I know this is a big change, but this was not just bottom-line driven," Ziegler said. "We tried to minimize the impact and provide a really good insurance plan for the district. I think we did that."

The board was not required to negotiate with the teachers union on insurance coverage because of Act 10, the state law passed last year that stripped public employees of most of their bargaining rights. Even so, board member Clayton Riddle said the board showed good faith with teachers by delaying a change in insurance carriers for months.

"Last year, we could have jumped on an insurance change, but we stayed with WEA Trust even though that wasn't the cheapest option," Riddle said.

Mark Powell, the district's director of business services and human resources, estimated that changing to the Humana plan will save the district at least $136,000. The amount could increase depending on how many employees choose either coverage option, he said.