





Lincoln Parish School Board
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Mike Milstead
Superintendent

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President

M E M O

TO: Lincoln Parish School Board Members

FROM:  Mike Milstead, Superintendent
 Juanita Duke, Business Manager

DATE: June 30, 2020

SUBJECT: Consider request to conduct a LPSB Health Plan Study

Background

As you are aware, Lincoln Parish Health Plan costs have increased dramatically over the past 10 years and has required the use of sales tax revenues, which has proven to be an unstable revenue source during this time. Approximately 79% of employer group health plan costs are funded directly with sales tax revenue, and approximately 45% of sales tax revenues are dedicated to funding the fixed cost of employer health care premiums. This funding ratio is not a fiscally secure source to maintain other programs and activities funded with the remaining 55% of sales tax revenues, such as employee salary supplements and instructional support. Additionally, future resources to sustain continued increases in health plan cost trends are expected to be very limited.

In efforts to control rising cost trends and not further usurp funding needed for continued support of instructional programs, we are requesting permission to authorize our consultants Brown and Brown to conduct an in-depth study of our current health plan structure, benefit design, premium cost share, and plan administration; conduct a comparability study of other group health plan offerings; and evaluate opportunities to maximize savings through benefit changes.

Recommendation

To authorize Brown & Brown to conduct a full study of the Lincoln Parish School Board Health Plan and provide a summary report to the Board and with recommendations and a timeline for reducing employer health care costs.

Contact Person

Juanita Duke
David Charpentier