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## ***Flexible Spending Account Reminders***

If you had a flexible spending account in the 2007/2008 plan year and have an unused balance at the end of the plan year (9/30/2008), the Mesa Public Schools Plan gives you an extra 2 1/2 months to incur expenses and use up that remaining balance. The last day for occurring expenses during the 2 1/2 month extension is December 15, 2008. The last day for submitting expenses during the 2007/2008 plan year is December 31, 2008.

### ***REMINDER!***

***Calendar Year Deductibles Take Effect on  
January 1, 2009.***

## ***403(b) Reminder!***

If you are currently investing in a 403(b) plan, by January 1, 2009, you will need to make two decisions;

- ✓ Determine your new contribution rate with The Hartford,
- ✓ Determine whether you want to rollover your existing 403(b) account balances to the new provider or leave them where they are.

If you haven't done so yet, please contact EdwardJones if you want to continue your deferrals in 2009. The EdwardJones Advisors are listed on the Employee Benefits web site.

## ***Employee Benefits Advisory Committee***

The Employee Benefits Advisory Committee acts in an advisory capacity to review benefit changes and make recommendations on new benefits. Membership is composed of a broad base of employees appointed by the head of each association. This year's members are:

### **MACS**

Laura Brown, John Amenson, and Wendy Mueller

### **MASA**

Thea Hansen, Barbara Remondini, and Ken Alexander

### **MESPA**

Pam Prater, Gary Swinehart, and Jaime Wright

### **MEA**

Tita Rosca, and Peg Indrelunas



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## **Review Your Deductions**

Deductions for benefits effective October 1, 2008 began with the September 25th paycheck. Additionally, a statement reflecting 2008/2009 benefit elections was sent to employees homes. Please review the personalized benefit statement as well as your paycheck carefully to confirm that your elections have been accurately reflected. To reduce confusion, the deduction on your paycheck is now labeled "HLTHBEN" for the medical, dental, vision, and life premiums. The flexible spending account deductions are the FLEXMR and FLEXDEP for medical and dependent care reimbursement.

If you have any questions about your benefit deductions, please contact the Employee Benefits department at 472-7222.



## **Benefits are Expensive**

Every so often an employee calls and says that an organization our size should be able to shop around and find cheaper insurance. Self-insuring coverage actually saves the District about 12% in expenses by avoiding fees such as profit and risk margins and administrative fees added by insurance companies, and premium taxes. Since we are self-insured our rates are based on the actual claims costs; health, prescription drugs, etc. of our members.

Surveys show that most Americans believe that insurance administrative expenses are the primary driver for premium increases. People guess that insurance costs are 30 – 40 percent of premiums, and another 10 to 20 percent added for profit. But the real numbers and perceptions are very different.

In the 2007/2008 Plan year our Plan costs totaled \$32,889,573.

- 68.8% went directly to pay medical claims
- 13.5% went directly to pay prescriptions drug costs
- 6.1% went directly to pay for vision, behavioral health, dental, and life insurance claims.
- 11.6% went to pay administrative expenses

This doesn't mean that we ignore Plan administrative costs. Administrative costs have been flat for years. It is care costs that are exploding. We are fortunate to live in a world where care is improving everyday. However, almost without exception, each improvement is more expensive than the care it replaces.

It is a basic point to make, but it's worth remembering that almost all health care costs are caused by health care problems. Diseases create expense; avoiding and preventing diseases can reduce expense.

It's time to take a look at the impact poor health is having on our increasing health care costs. We need to be honest with ourselves about the causes of chronic diseases that are absorbing our resources. We know that diseases today, for the most part, are consequences of unhealthy behaviors.

Premature infants are some of the most extreme cases, but they are good examples of what miracles American medical science can do. Consider this example- it can easily cost a million dollars to save a one pound premature baby from death. It will likely cost an additional \$50,000 to \$200,000 annually to keep that child alive. One such child would cost \$2 million dollars the first 5 years of life. Let's say we add 5 more such cases to the Plan's expenses that year. Do the math, it's fascinating.

What can you do to help Mesa Public Schools Trust Fund remain strong and reduce costs?

1. Recognize unhealthy behaviors in yourself and co-workers.
2. Get active, eat right, and prevent disease in yourself.
3. Be an example for your co-workers, your students, and by extension the community of Mesa.