

**Minutes of the Advisory Health Benefit
Committee Meeting of May 15, 2012 at the
District Office, Minden, Nevada**

Committee Members Present

Christine Cooley, DCPEA
Andrew Fromdahl, DCPEA
Allen Gosselin, DCPEA
Dwight Langdon, DCBDA
Marie Parola, DCSSO
Diana Schefcik, DCSSO
Shannon Brown, DCAA
Holly Luna – District Office

Absent

Lloyd Barnes, with LP Insurance Services, and Shannon Brown were not in attendance at the beginning of the meeting, but did arrive shortly after the meeting starting time. Windy Culver-Molezzo with Hometown Health could not attend, but provided the necessary reports in advance for distribution. Meeting began at approximately 4:02pm.

Roll call of members and external representatives was taken. The committee members adopted the Agenda, motioned by Dwight Langdon, seconded by Andrew Fromdahl. There was no public comment.

Consent Items: The minutes of the Regular Meeting of April 17, 2012, were brought forth for adoption. Adoption was motioned by Marie Parola, seconded by Andrew Fromdahl, and adopted 6-0.

Claims Review: Lloyd Barnes was present to review the claims report data.

Exhibit 1

Net paid claims for the month of April (\$421,380) were lower than the monthly average for the previous plan year (\$488,969). On a composite basis the average monthly claims cost per employee for the current plan year to date is \$532.86 compared to \$632.29 for the previous plan year, or a decrease of 15.72%. For employee only claims, costs were down from \$470.46 to \$377.95, a decrease of 19.66%. For dependent only claims, costs were down from \$697.85 to \$672.80, a decrease of 3.59%. Additionally, the cost per member (employee or dependent) was down from \$433.88 to \$373.20, a decrease of 15.92%.

Exhibit 3

Total net plan costs for April (\$479,682) were lower than the monthly average for the previous plan year (\$550,791). On a composite basis, the average total cost per employee per month for the current plan year to date was down from \$712.23 to \$609.18, or a decrease of 14.47%. Employee only costs were down from \$534.71 to \$439.03, a decrease of 17.89%. Dependent only costs were down from \$765.52 to \$739.07, a decrease of 3.46%. Additionally, the cost per member (employee or dependent) was down from \$500.00 to \$426.36, a decrease of 14.73%.

Exhibit 5

Overall utilization of the various medical services coverage by the plan for the current plan year to date is relatively consistent with those of the previous plan year with the exception of Inpatient Hospital expenses which are 10% this plan year versus 15% for the previous plan year.

Exhibit 6

There have been no claims that have exceeded \$87,500 though the month of April. The top portion of this exhibit illustrates claims once they have exceeded \$87,500 and shows the changes in total paid amounts from month to month. The bottom portion illustrates the amounts by which each of these claims has exceeded the specific stop-loss level of \$175,000 on a month to month basis.

Exhibit 7

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of April at \$722,369.

Exhibit 8

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of the previous month at \$721,321.

Hometown Health Statistics Review: As Windy was not available, reports were provided to the Committee for review, containing the data missing from the previous meeting. Lloyd indicated the data in the report appeared accurate. Holly suggested that the Committee members review, and provide any questions regarding the data to Holly via email.

Correspondence:

Correspondence received was in the form of the reports delivered by LP, and by Hometown health. Holly also indicated that she had received new cost estimations provided by LP Insurance in the form of a report showing revised cost options for very specific items with current cost data.

A question was posed regarding changes to the Prescription Plan, the coinsurance limit was previously noted as none, but now noted as integrated with medical. Lloyd explained the intention was to suggest that currently there is no stop for an employee's 20% contribution – there is no maximum out-of-pocket. The current report shows the 20% would count towards that, increasing expenses, which cost is not shown separately on the report, and Lloyd would see where it is brought into the plan at a cost increase.

DCSD Plan Review: Clarification was requested regarding copay estimations versus deductible estimations. Marie asked that copays be identified as such to avoid confusion with deductibles. The current formulary being presented is less than previously estimated, based off current cost information.

Future Agenda Items: Review and discussion of Summary of Benefits and Coverage form. Holly will double check with Windy to make sure this continues to be tracked over the summer and brought back for discussion after summer. Additional future discussion points: GAP Insurance, HSA program and incentives to bring employees to the program. Discussion regarding employee contributions to the Health Plan and if they would be taxable or non-taxable. Currently, they are not taxable, but it was noted that for the 2012 tax year insurance benefits will be reported on W-2s. There was further discussion of a wellness program.

Holly also indicated she has “new-member” packets that will be provided in advance of the August meeting to Diana and Allen.

Next Meeting(s): The next Committee Meeting was set for **August 28, 2012 at 4:00pm at the District Office. Committee will not hold meetings in June or July. Holly will send calendar invitations for every month for the third Thursday, and meetings can be rescheduled as needed.**

The meeting adjourned via motion by Shannon Brown, seconded by Marie Parola at 4:30pm.

Respectfully Submitted,
Holly Luna, CFO, Business Services
Douglas County School District
(775) 782-5131

Update: The May 7th Special Meeting Minutes have incorporated documents outlining the proposed changes suggested by Committee members. The Correspondence from this meeting on May 15th was incorporated into that same document noting the modifications provided by LP Insurances with regards to revised cost estimates.
