

**Minutes of the Advisory Health Benefit
Committee Meeting of October 16, 2012 at the
District Office, Minden, Nevada**

Committee Members Present

Allen Gosselin, DCPEA
Christine Cooley, DCPEA
Dwight Langdon, DCBDA
Marie Parola, DCSSO (4:40pm)
Diana Schefcik, DCSSO
Holly Luna – District Office
Shannon Brown, DCAA

Absent

Christine Bredow, DCPEA

Lloyd Barnes and Tom Marshall of LP Insurance Services, Inc. arrived at 4:38. Windy Culver-Molezzo with Hometown Health was also in attendance. Meeting began at approximately 4:34pm.

Adoption of the Agenda was motioned by Shannon Brown, seconded by Dwight Langdon, and adopted 5-0.

Public Comment: None

Consent Items: The minutes of the regular meeting on September 25, 2012 were delayed for adoption at the November meeting.

Hometown Health Statistics Review: As LP Insurance staff was somewhat delayed, Windy proceeded with the HHP Statistics Review, issuing copies of the “Claims Turnaround Time Report” and “Hometown Health Customer Service Department Stats”. The Turn Around Time report shows that of 904 claims, 844 were paid by month’s end, leaving 175 claims remaining open. The prior month had 117 claims open. Of the total open claims (1,021 of current and prior months), 779 Claims were paid within 15 days. 58 Claims were paid within 16 – 30 days and claims that extended past 30 days totaled 7. Customer Service call volume was reported at 5,956 calls, answering 5,660, averaging 45 seconds to answer. There was a noted abandonment rate of calls received at lower than the standard rate.

Claims Review: Lloyd Barnes from LP Insurance Services, Inc. was present to review the claims report data.

Exhibit 1

Net paid claims for the month of September (\$252,663) 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 \$539.43 compared to \$632.29 for the previous plan year, or a decrease of 14.69%. For employee only claims, costs were down from \$470.46 to \$389.82, a decrease of 17.14%. For dependent only claims, costs were down from \$697.85 to \$648.89, a decrease of 7.02%. Additionally, the cost per member (employee or dependent) was down from \$443.88 to \$378.18, a decrease of 14.80%.

Exhibit 3

Total net plan costs for September (\$311,290) were lower than the monthly average for the previous plan year (\$550,791). On a composite basis, the average total cost per employee per
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month for the current plan year to date was down from \$712.23 to \$615.50, or a decrease of 13.58%. Employee only costs were down from \$534.71 to \$450.63, a decrease of 15.72%. Dependent only costs were down from \$765.52 to \$715.53, a decrease of 6.53%. Additionally, the cost per member (employee or dependent) was down from \$500.00 to \$430.58, a decrease of 13.88%.

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 (10% versus 15% for the previous plan year).

Exhibit 6

There have been two claims that have exceeded \$87,500 though the month of September, but have not pierced the \$175,000 specific stop-loss level. 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 September at \$712,070.

Exhibit 8

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of the previous month at \$694,910.

October Board of Trustees Report: Holly had issued a notice via email before the Advisory Health Committee meeting that the Board of Trustees had supported and approved the Committee's recommendations. Holly thanked the Committee members for their work on the changes.

Summary of Benefits and Coverage Form: The intention had been to review updated templates with the approved plan changes. Holly indicated that HHP had not submitted revised documents, but that the documents were a work in progress. Holly's question of Windy was timing, and questioned what needed to be finalized before Open Enrollment began to ensure compliance with the Health Care Reform Act. Windy indicated she could update the sheet and issue to Holly before the end of the week for Holly's review. The summary documents must be available for employees to access during Open Enrollment, and that DCSD should make the form available online. HHP will also make this available on their website for DCSD Employees once they log in, as well as other new benefits such as online ID cards, etc.

The required Summary Plan Document will be complete prior to the new plan year, and possibly prior to Open Enrollment. The committee discussed possible dates for Open Enrollment in the month of November.

DCSD Stop Loss Insurance Renewal: Lloyd Barnes indicated solicitation of quotes was not quite finalized yet, but may be available the last week of October or first week of November. After further discussion, it was determined this could be agendaized for Committee recommendations at the upcoming November Advisory meeting, and then taken before the

Board at the December meeting – prior to expiration of the policy at the end of December without any renewal issues.

Correspondence: None at this time.

Future Agenda Items: November – Summaries of Benefits and Coverage forms and Stop Loss Insurance Renewals.

Next Meeting(s): The next Committee Meeting was set for **November 15, 2012 at 4:30pm at the District Office. The December meeting is currently scheduled for December 18, which could cause conflict due to holiday schedules, etc. Date will be determined at the November Advisory Meeting.**

The meeting adjourned via motion by Shannon Brown, seconded by Christine Cooley at 5:00pm.

Respectfully Submitted,
Holly Luna, CFO, Business Services
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