

**Minutes of the Advisory Health Benefit  
Committee Meeting of December 18, 2012 at the  
District Office, Minden, Nevada**

**Committee Members Present**

Christine Cooley, DCPEA  
Dwight Langdon, DCBDA  
Marie Parola, DCSSO  
Holly Luna – District Office  
Shannon Brown, DCAA

**Absent**

Allen Gosselin, DCPEA  
Christine Bredow, DCPEA  
Diana Schefcik, DCSSO

Lloyd Barnes, Roger Olsen and Tom Marshall of L/P Insurance Services were in attendance, and introduced Roger's replacement, Mark Garret, who will take over for Roger Olsen's place with L/P Insurance since Roger will retire on January 1, 2013. Windy Culver-Molezzo with Hometown Health was also in attendance. Meeting began at approximately 4:36p.m.

Public Comment: None

**Consent Items:** Adoption of the agenda was motioned by Shannon Brown, and seconded by Marie Parola adopted 5-0. The minutes of the regular meeting on November 15, 2012 were adopted; motioned by Dwight Langdon, seconded by Marie Parola, and adopted 5-0.

**Claims Review:** Roger Olsen, L/P, presented the monthly claims reports.

**Exhibit 1**

Net paid claims for the month of November (\$492,757) were higher 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 \$594.70 compared to \$632.29 for the previous plan year, or a decrease of 5.94%. For employee only claims, costs were down from \$470.46 to \$449.72, a decrease of 4.41%. For dependent only claims, costs were down from \$697.85 to \$625.96, a decrease of 10.30%. Additionally, the cost per member (employee or dependent) was down from \$443.88 to \$416.65, a decrease of 6.13%.

**Exhibit 3**

Total net plan costs for November (\$550,343) 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 \$680.80, or a decrease of 5.82%. Employee only costs were down from \$534.71 to \$510.49, a decrease of 4.53%. Dependent only costs were down from \$765.52 to \$692.70, a decrease of 9.51%. Additionally, the cost per member (employee or dependent) was down from \$500.00 to \$468.96, a decrease of 6.21%.

**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 and Outpatient Surgery expenses. Holly Luna requested that the line item labeled "Chemotherapy and Infusion" be removed as this data is not available in the breakdown of claims data from HHP.

#### Exhibit 6

There have been four claims that have exceeded \$87,500 though the month of November. 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. There is only one claim that has exceeded the specific stop-loss on a cumulative basis through November. \$99,173 will be refunded to the plan.

#### Exhibit 7

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of November at \$706,969.

#### Exhibit 8

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of the previous month at \$741,471.

**Hometown Health Statistics Review:** Windy Culver-Molezzo presented the HHP Statistics Review, and issued copies of the “Claims Turnaround Time Report” and “Hometown Health Customer Service Department Stats” – both of which reflect HHP’s entire book of business, not solely DCSD stats. The Turn Around Time report shows that of 1126 claims, 1,144 were paid by month’s end, leaving 212 claims remaining open. 996 Claims were paid within 15 days. 136 Claims were paid within 16 – 30 days, and claims that extended past 30 days totaled 12. Customer Service call volume was reported at 7,504 calls, answering 7,193 averaging 45 seconds to answer. There was a 4% noted abandonment rate of calls.

#### **Tiered Rate Review (Report):**

In preparing for “Open Enrollment”, Holly Luna caught two errors in the excel spreadsheet previously provided to the group for the budget rate calculations. The first item was in relation to what was approved for the projected revenue and renewal rates under the PPO plan for retirees, and the second for the HSA plan employee only. When rates were approved in September, there was a formulaic error that appeared to increase rates for those two groups. Holly wanted the error and correction noted for the record. PPO retirees was originally noted as \$403.40 and was corrected to \$393.40; Employees only HSA plan was originally noted as \$513.78 and was corrected to \$503.78.

#### **DCSD Stop Loss Insurance Renewal:**

Holly Luna presented the final outcome after working with L/PP to obtain the best rate. Previously, one had a better price tag, but required more risk by the plan. The final decision was to move forward with Symetra, which was minimal cost increase (only a few thousand more), but less risk than the other option. This received Board Approval, and the contract was signed.

#### **Correspondence:**

None

#### **Future Agenda Items:**

Holly Luna indicated the upcoming agenda would address the normal course of business for January. Holly will add “Health Care Reform updates (Administrative Report)” to the regular agenda, and it will become a monthly agenda item moving forward in order to accommodate on-going changes and updates.

**Next Meeting(s):** The next Committee Meeting was set for **January 15, 2012 at 4:30p.m. at the District Office.**

The meeting adjourned via motion by Marie Parola, seconded by Dwight Langdon at 5:00pm.

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

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