

**Minutes of the Advisory Health Benefit  
Committee Meeting of February 26, 2013 at the  
District Office, Minden, Nevada**

**Committee Members Present**

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

**Absent**

Christine Bredow, DCPEA

Mark Garrett of L/P Insurance Services was in attendance, along with Windy Culver-Molezzo with Hometown Health. Meeting began at approximately 4:28p.m.

Public Comment: None

**Consent Items:** Adoption of the agenda was motioned by Shannon Brown, and seconded by Dwight Langdon, adopted 5-0. Diana Schefcik and Marie Parola arrived. The minutes of the regular meeting on January 22, 2013 were adopted; motioned by Allen Gosselin, seconded by Shannon Brown, and adopted 7-0.

**Claims Review:** Mark Garrett of L/P Insurance presented the monthly claims reports which also depict a full calendar year for prior year comparisons.

**Exhibit 1**

Mark indicated there almost an 18% reduction in dependents, and asked if Holly was aware of anything large affecting this. Holly indicated she was not aware of anything, but that she hadn't been able to review January's data prior to the meeting. Net paid claims for the month of January (\$678,403) were higher than the monthly average for the previous plan year (\$458,787). On a composite basis the average monthly claims cost per employee for the current plan year to date is \$905.75 compared to \$602.35 for the previous plan year, or an increase of 50.37%. For employee only claims, costs were up from \$453.28 to \$677.80, an increase of 49.53%. For dependent only claims, costs were up from \$642.66 to \$986.87, an increase of 53.56%. Additionally, the cost per member (employee or dependent) was up from \$421.94 to \$667.06, an increase of 58.10%.

**Exhibit 3**

Total net plan costs for January (\$727,073) were higher than the monthly average for the previous plan year (\$518,128). On a composite basis, the average total cost per employee per month for the current plan year to date was up from \$680.26 to \$970.73, or an increase of 42.70%. Employee only costs were up from \$515.84 to \$731.83, an increase of 41.87%. Dependent only costs were up from \$708.84 to \$1034.31, an increase of 45.92%. Additionally, the cost per member (employee or dependent) was up from \$476.51 to \$676.56, an increase of 41.98%. The Stop Loss Insurance carrier was changed as of January 1, 2013 which resulted in a 23.78% drop in Stop Loss Costs.

### Exhibit 5

Overall utilization of the various medical services coverage by the plan for the current plan year to date (only one month) is relatively consistent with those of the previous plan year with the exception of Outpatient Surgery (extreme spike) and inpatient hospitalization (reduction). Last year's average for inpatient hospitalization was approximately \$63,000 per month, and for January, we are at approximately \$47,000. However, both outpatient hospital (last year's average was approximately \$31,000 per month, and January was near \$87,000) and outpatient surgery (last year's average \$86,000 per month versus last month's average of \$206,000) showed increases. Mark indicated an increase of colonoscopies during January period. Holly asked if these numbers were incurred in January or including rollover from December. Mark answered that while a small portion was from December, most were based on January. Windy indicated that 30 claims had been pulled and reviewed to determine a reason for the large increase during the first month of the year, and that the procedures, while including colonoscopies, weren't all related to that particular procedure.

### Exhibit 6

There have been no claims that have exceeded \$87,500 though the month of January. 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 January at \$742,266.

### Exhibit 8

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of the previous month at \$687,859.

**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 1,385 claims received, 1,023 were paid by month's end, leaving 518 claims remaining open. 921 Claims were paid within 15 days (90.03%). 90 Claims were paid within 16 – 30 days (98.83%), and claims that extended past 30 days totaled 12. Customer Service call volume was reported at 10,315 with 9,748 calls answered, a huge jump consisting mostly of new plan members with questions. The month of January showed that 7,918 averaging 81 seconds to answer, well above the preferred 60 second timeframe, but that the callers waited patiently for answers to their questions, showing the abandonment rate remained approximately 4%.

**Health Care Reform Update (Admin Report):**

Holly was unaware of any updates, unless Mark had new information. Mark confirmed nothing has taken place since the previous month. Holly indicated this item would be kept on the agenda as updated information would be coming.

**Correspondence (Report):**

Christine Cooley referenced a letter she received in the mail regarding less cost of prescription costs. Holly indicated it appears to be a mass mailing of these, and that it was more an advertisement. It not a part of health care reform, or DCSD generated correspondence. Simply put – it is a discount card for those who do not have insurance.

**Future Agenda Items:**

Normal business as usual. Additionally, Holly indicated that she would like a discussion with Windy regarding a summary of the review process of the Plan document that incorporated all of the recent plan changes.

**Next Meeting(s):** The next Committee Meeting was set for **March 19, 2013 at 4:30p.m. at the District Office.**

The meeting adjourned via motion by Shannon Brown, seconded by Marie Parola at 4:45pm.

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

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