

**Minutes of the Advisory Health Benefit
Committee Meeting of April 16, 2013 at the
District Office, Minden, Nevada**

Committee Members Present

Shannon Brown, DCAA
Allen Gosselin, DCPEA
Christine Bredow, DCPEA
Marie Parola, DCSSO
Paula Henricks, DCSSO
Holly Luna – District Office

Absent

Dwight Langdon, DCBDA
Christine Cooley, DCPEA

Mark Garrett and Tom Marshall of L/P Insurance Services were in attendance. Windy Culver-Molezzo with Hometown Health was also in attendance. Meeting began at approximately 4:30p.m.

Public Comment: None

Consent Items: Adoption of the agenda was motioned by Marie Parola, and seconded by Christine Bredow, adopted 4-0. (*Shannon Brown arrived 4:31p.m.*) The minutes of the regular meeting on March 19, 2013 were adopted; motioned by Allen Gosselin, seconded by Marie Parola, and adopted 5-0. (*Paula Henricks arrived 4:32p.m.*)

Claims Review: Mark Garrett of L/P Insurance presented the monthly claims reports:

Exhibit 1

Net paid claims for the month of March (\$399,160) were lower 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 \$644.69 compared to \$602.35 for the previous plan year, or an increase of 7.03%. For employee only claims, costs were up from \$453.28 to \$493.05, an increase of 8.77%. For dependent only claims, costs were up from \$642.66 to \$667.55, an increase of 3.87%. Additionally, the cost per member (employee or dependent) was up from \$421.94 to \$475.19, an increase of 12.62%. **Mark noted that due to a data entry error in the March Report, the Dependent Units were incorrectly reported as 9; the correct quantity should be 168, equating to a -3.6% difference in the current year versus the previous year. He also noted that as previously mentioned in the March meeting, there was a reimbursement from the Stop Loss Insurance that had been received in February.

Exhibit 3

Total net plan costs for March (\$448,061) were lower 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 \$709.48, or an increase of 4.30%. Employee only costs were up from \$515.84 to \$553.76, an increase of 7.35%. Dependent only costs were

up from \$708.84 to \$712.89, an increase of 0.57%. Additionally, the cost per member (employee or dependent) was up from \$476.51 to \$494.95, an increase of 3.87%.

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 exceptions of Inpatient Hospital (down to 9% from 14% in prior year), Outpatient Hospital (up to 10% from 7% in prior year), and Outpatient Surgery (which appeared to spike last month up to 23% from 19% in prior year). The other utilization categories appeared to be running similarly in comparison to the previous year and we have not breached the Stop Loss. Holly noted there is a large claim coming in the next month.

Holly asked for an update with regards to the spike in the Outpatient Surgery line. Windy indicated that LP Insurance and Hometown worked together, looking back to data from 2010 through current month – breaking it out annually and quarterly. Results showed nothing out of the ordinary when reviewed as long term data trends. Simply put, potentially one large claim in a month could affect the monthly average calculation. However, Hometown Health went deeper in their review, looking at specific occurrences to determine if there were any trends developing per provider. She further explained the category these charges may fall under can change, affecting that number. For example, an outpatient lab situation (colonoscopies, etc.) is recorded under the overall Outpatient Surgery category. The analysis did not reveal any issues that warranted further review.

Exhibit 6

There have been no claims that have exceeded \$87,500 though the month of March. 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 March at \$749,483 indicating 13% increase in claims from the prior month's IBNR calculation.

Exhibit 8

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of the previous month at \$725,663.

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 1,252 claims received, 1,238

were paid by month's end, leaving 166 claims remaining open. Regarding claim payouts, 1,176 Claims were paid within 15 days (94.99%). 38 Claims were paid within 16 – 30 days (98.06%), and claims that extended past 30 days totaled 24. Customer Service call volume was reported at 6,662 calls, answering 6,692 averaging 56 seconds to answer. There was a 5% noted abandonment rate of calls.

Windy also indicated that there had been an error in the reported numbers for the month of February that have now been corrected. Customer Service call volume was reported at 6,359 with 7,216 calls answered. Revised numbers show that Customer Service call volume was reported at 6,648 with 6,920 calls answered.

Plan Document Update (Admin Report):

Holly asked Windy to provide an update regarding the new Plan Document. Windy indicated the final revisions are available. The PHIA Group did provide minimal change recommendations. Windy is awaiting a timeline for when they will get their comments back to HHP. Windy indicated hopefully within a few weeks, those would be received, the changes required can be made, and the document can be posted.

Holly indicated that the previous document was difficult to read for the end user, and the new revision assisted in clarifying plan details and made the document more user friendly. All the preparation of this document will help streamline next year's plan changes that will be required by Health Care Reform for the 2014 plan year.

Health Care Reform Update (Admin Report):

Holly asked if there was any new information with regards to the Health Care Reform Act. Lloyd indicated that there was nothing new to report, and that timelines have been delayed. LP Insurance said that a template is out for the Silver State Exchange, but the timeline on that has not been certified by the Federal Government.

Correspondence (Report):

Renown Health has made extensive changes in personnel at the executive level resulting in a requirement for changes to signatures and authorities on the district's Health Fund bank account. The leadership changes should have no negative effect in services.

Future Agenda Items:

Normal business as usual. Also a continued review of finalized Plan Document.

Next Meeting(s): The next Committee Meeting was set for **May 21, 2013 at 4:30p.m. at the District Office.**

The meeting adjourned via motion by Christine Bredow, seconded by Marie Parola at 4:50pm.

Respectfully Submitted,
Holly Luna, CFO, Business Services
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