

**Minutes of the Advisory Health Benefit  
Committee Meeting of February 18, 2014 at the  
District Office, Minden, Nevada**

**Committee Members Present**

Marie Parola, DCSSO  
Jim Mathews, DCPEA  
Andrew Fromdahl, DCPEA  
Shannon Brown, DCAA  
Dwight Langdon, DCBDA  
Christine Cooley, DCPEA (*arrived @ 4:37pm*)

**Absent**

Holly Luna, District Office  
Paula Henricks, DCSSO

Tom Marshall and Mark Garrett of L/P Insurance Services were in attendance along with Windy Culver-Molezzo of Hometown Health. Shannon Brown, DCAA, ran the meeting in Holly Luna's absence. Meeting began at approximately 4:31p.m. Meeting began with member and attendee roll call.

**Call to Order:** Committee member roll call was called.

**Consent Items:** Andrew Fromdahl moved to adopt the minutes of the regular meeting on January 21, 2014, with proposed correction noting Shannon Brown's represented group as DCAA, not DCPEA, seconded by Marie Parola; motion passed 5-0.

**Public Comment:** None presented.

Shannon Brown requested reviews by brokers and HTH to provide highlights of key points or anomalies rather than the in-depth review.

**Claims Review:** Mark Garrett of L/P Insurance reviewed claims data including prior calendar documentation, as well as the first month's data of the new calendar year. Discussion of incurred regarding stop loss claims as well as timing of recoverable funds.

(*Christine Cooley, DCPEA, arrived @ 4:37pm*)

➤ **PLAN YEAR 2013**

**Exhibit 1**

Net paid claims for the month of December (\$652,907) 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 \$800.06 compared to \$602.35 for the previous plan year, or an increase of 32.82%. For employee only claims, costs were up from \$453.28 to \$475.86, an increase of 4.98%. For dependent only claims, costs were up from \$642.66 to \$1,502.82, an increase of 133.84%. Additionally, the cost per member (employee or dependent) was up from \$421.94 to \$576.78, an increase of 36.70%.

### Exhibit 3

Total net plan costs for December (\$701,801) 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 \$864.28, or an increase of 27.05%. Employee only costs were up from \$515.84 to \$529.84, an increase of 2.71%. Dependent only costs were up from \$708.84 to \$1,554.98, an increase of 119.37%. Additionally, the cost per member (employee and dependent) was up from \$476.51 to \$605.72, an increase of 27.11%.

### Exhibit 5

This month there was a future spike in In-Patient Hospital utilization costs. The monthly average was four times that of last year. Out-Patient Surgery was almost back to normal levels this month; however, the monthly average categorical expenditures this year ended almost 50% higher than the monthly average last year.

### Exhibit 6

There were six claims that have exceeded \$87,500 though the month of December. Four of the claims have exceeded the attachment point. 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 one of these claims have exceeded the specific stop-loss level of \$175,000 on a month to month basis. The plan is currently estimated to be reimbursed \$2,683,250 once the 4 specific stop-loss claims have been reviewed and paid out by Symetra.

### Exhibit 7

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of December at \$981,875.

### Exhibit 8

Calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of the previous month, November at \$987,908.

Andrew Fromdahl asked about calendar year 2013 cap (\$2 Million) of incurred charges with regards to Exhibit 6. HTH and L/P will review incurred versus paid claims on the one stop-loss claim, and report back to the committee. It was noted that L/P only reports claims “as paid” and with stop-loss “as refunded” to the plan – not when claims are incurred or submitted to HTH for payment – see Exhibit 3, Line 22.

## ➤ **PLAN YEAR 2014**

### Exhibit 1

Net paid claims for the month of January (\$357,851) were lower than the monthly average for the previous plan year (\$610,378). On a composite basis the average monthly claims cost per employee for the current plan year to date is \$468.78 compared to \$800.06 for the previous plan year, or a decrease of 41.53%. For employee only claims, costs were down from \$475.86 to \$395.57, a decrease of 16.87%. For dependent only claims, costs were down from \$1,502.82 to

\$347.42, a decrease of 76.88%. Additionally, the cost per member (employee or dependent) was down from \$576.78 to \$333.31, a decrease of 42.18%.

### Exhibit 3

Total net plan costs for January (\$412,702) were lower than the monthly average for the previous plan year (\$659,373). On a composite basis, the average total cost per employee per month for the current plan year to date was down from \$954.90 to \$539.48, or a decrease of 43.50%. Employee only costs were down from \$538.93 to \$450.25, a decrease of 16.45%. Dependent only costs were down from \$1,928.23 to \$429.31, a decrease of 98.14%. Additionally, the cost per member (employee and dependent) was down from \$864.28 to \$539.48, a decrease of 37.58%.

### Exhibit 5

The one month trend exhibits a trend more aligned with the prior calendar year 2011 given that 2012 had extraordinary costs.

### Exhibit 6

No claims that have exceeded \$87,500 though the month of January.

### Exhibit 7

Calculations estimated the Incurred But Not Reported (IBNR) claims liability as of the end of January at \$1,037,642

### Exhibit 8

Calculations reflect the month of November, but should have reflected December. Calculations estimated the Incurred But Not Reported (IBNR) claims liability as of the end of the previous month, December at \$981,875.

Again, discussions regarding stop loss reimbursements and the effects on the monthly trend claims data. Windy Culver-Molezzo indicated that all reimbursements applicable to the prior calendar year would be paid by Symetra by no later than end of March reflecting in the April data, but is dependent on the timing.

**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. She presented the Turn Around Time data reporting that of 1,436 claims received + 237 remaining open from the prior month, 870 were paid by month’s end, leaving 809 claims remaining open. Regarding claim payouts, 539 Claims were paid within 15 days (61.95%). 323 Claims were paid within 16 – 30 days (99.08% in total), and claims that extended past 30 days totaled 8. Customer Service call volume was reported at 12,143 calls, answering 11,776 averaging 38 seconds to answer with a 3% noted abandonment rate of calls.

Windy also indicated that a representative with HTH would be in attendance at the March meeting to provide an overview of the PBM change over from Catamaran to Med Impact and the pharmaceutical and therapeutic review process (P&T) along with suggested alternatives for PBM

tiering. Discussion included an upcoming retraction letter from Med Impact that will be sent to members regarding a correction notice about the formulary.

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

Tom Marshall of L/P Insurance indicated nothing new to report.

**Correspondence (Report):**

None reported.

**Future Agenda Items:**

*\*From December meeting, Andrew Fromdahl requested that the committee receive updates on the actual results of the plan benefit changes – an update from what had been presented in the October meeting but which was incomplete with regards to a full calendar year of expenditures – for individuals/family for out of pocket expense and deductible costs. Hometown Health will follow up with reporting in March.*

*New - Pharmacy Manager from Med Impact will present an over-view of the process of the PBM's formulary pharmaceutical and therapeutic clinic review in March along with suggested alternatives for PBM tiering.*

**Next Meeting(s):** The next Committee Meeting was set for **March 18, 2014 at 4:00 p.m. at the District Office.**

The meeting adjourned via motion Dwight Langdon, seconded by Marie Parola at approximately 5:05 p.m.

Respectfully Submitted on behalf of Shannon Brown,  
Holly Luna, CFO, Business Services  
Douglas County School District  
(775) 782-5131

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