

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

Committee Members Present

Marie Parola, DCSSO
Paula Henricks, DCSSO
Jim Mathews, DCPEA
Shannon Brown, DCAA
Dwight Langdon, DCBDA
Holly Luna, District Office

Absent

Andrew Fromdahl, DCPEA
Christine Cooley, DCPEA

Tom Marshall and Mark Garrett of L/P Insurance Services were in attendance along with Windy Culver-Molezzo and Judy Britt of Hometown Health. Meeting began at approximately 4:03 p.m.

Call to Order: Committee member and attendee roll call was called.

Consent Items: Shannon Brown moved to adopt the minutes of the regular meeting on February 18, 2014, with proposed correction noting Windy Culver-Molezzo was HTH representative – not Emma Guzman, seconded by Dwight Langdon; motion passed 6-0.

Public Comment: None presented.

Holly Luna 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 of the new calendar year. Discussion of incurred regarding stop loss claims as well as timing of recoverable funds.

Exhibit 1

Net paid claims for the month of February (\$449,957) 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 \$527.63 compared to \$800.06 for the previous plan year, or a decrease of 34.05%. For employee only claims, costs were down from \$475.86 to \$435.98, a decrease of 8.38%. For dependent only claims, costs were down from \$1,502.82 to \$441.28, a decrease of 70.64%. Additionally, the cost per member (employee or dependent) was down from \$576.78 to \$376.95, a decrease of 34.65%.

Exhibit 3

Total net plan costs for February (\$506,363) 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 \$864.28 to \$601.28, or a decrease of 30.43%. Employee only costs were down from \$529.84 to \$492.62, a decrease of 7.03%. Dependent only costs were down from \$1,550.26 to \$523.17, a decrease of 66.25%. Additionally, the cost per member (employee or dependent) was down from \$623.08 to \$433.89, a decrease of 30.36%.

Exhibit 5

The inpatient hospital continues to run much less in February than prior year average. Overall utilization of the various medical services covered by the plan for the current plan year to date is relatively consistent if not less than those of the previous plan year.

Exhibit 6

There have been no claims that have exceeded \$87,500 through the month of February. 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 February at \$945,384.

Exhibit 8

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of the previous month at \$931,481.

Again, discussions ensued 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 the end of March reflecting in the April data, but is dependent on the timing of the receipt of the reimbursements.

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” (the Customer Service stats reflect HHP’s entire book of business, not solely DCSD stats). She presented the Turn Around Time data reporting that of 1,326 claims received + 833 remain open from the prior month, 1,903 were paid by month’s end, leaving 259 claims remaining open. Regarding claim payouts, 1,018 Claims were paid within 15 days (53.49%). An additional 733 Claims were paid within 16 – 30 days (92.01% in total), and claims that extended past 30 days totaled 152. Customer Service call volume was reported at 8,912 calls, answering 8,625 averaging 25 seconds to answer with a 3% noted abandonment rate of calls.

Pharmaceutical Benefits Review: Windy Culver-Molezzo introduced Judy Britt as the pharmacy manager representative from HTH. Judy provided an overview of the PBM change over from Catamaran to Med Impact and the pharmaceutical and therapeutic review process (P&T). Judy reviewed the transition from Catamaran, and indicated that an upcoming retraction letter from Med Impact will be sent to members regarding a correction notice about the formulary.

Judy also reviewed that the P&T process had been temporarily put on-hold so as not to further confuse the transition between PBMs. She requested confirmation to reinstate the P&T reviews.

Holly Luna inserted that this was not an action item, but rather an administrative report. Multiple members confirmed that their understanding was that this item was to review the process, not to change the process and thus action was not required.

Judy continued with the review and reiterated that the hold on the formulary P&T review would be reestablished beginning on April 1st. This would include new drugs coming to market as well as the clinical analysis of current formulary drugs. With regards to pricing changes, the P&T committee has no controls over pricing – that is managed at the pharmaceutical level and that “big pharma” had zero federal or regulatory controls when it comes to pricing. She reiterated that what would **not** change is the level of benefits and tiering that was currently in place for our self-insured plan. She restated that to reestablish the P&T reviews was not only necessary but ethical in order to ensure that our plan participants had access to the latest drugs and assurance of on-going clinical analysis of existing drugs.

The committee thanked her for her explanations and voiced appreciation for the presentation.

Plan Benefits Review: Windy Culver-Molezzo reviewed the variances between plan year 2012 and plan year 2013 as it related to expenditures on a per member per month (PMPM) total costs as well as out-of-pocket and deductible costs, as well as increased coverage of preventative services.

It was suggested to include a few more data points to help clarify – add claim counts, number of members who hit deductible, and to clarify as to preferred or non-preferred deductible. Windy indicated that she would request the data points, and if able, return to the committee with revised stats.

Self-Insurance Fund Projected Financials: Holly Luna indicated there was nothing new with regards to financials. Next month would provide a better picture and would likely include updated information with regards to the reinsurance reimbursements as well as a projected ending fund balance for the next fiscal year.

Health Care Reform Update (Report):

Tom Marshall of L/P Insurance indicated a recent notification that delayed the 90-day waiting period for insurance from January 1, 2014 to January 1, 2015. Holly Luna noted that this would affect the plan summary document.

Correspondence (Report):

None reported.

Future Agenda Items:

New – It was requested that in the fall (August / September) that the brokers provide information on including – as a new benefit – coverage for hearing aids at the time the committee looks at the next year’s plan costs.

Next Meeting(s): The next Committee Meeting was set for **April 15, 2014 at 4:30 p.m. at the District Office.**

The meeting adjourned via motion Shannon Brown, seconded by Marie Parola at approximately 5:16 p.m.

Respectfully Submitted,
Holly Luna, CFO, Business Services
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