

**Minutes of the Advisory Health Benefit
Committee Meeting of April 15, 2014 at the
District Office, Minden, Nevada**

Committee Members Present

Marie Parola, DCSSO
Andrew Fromdahl, DCPEA
Paula Henricks, DCSSO
Jim Mathews, DCPEA
Shannon Brown, DCAA
Dwight Langdon, DCBDA
Christine Cooley, DCPEA

Absent

Holly Luna, District Office

Tom Marshall of L/P Insurance Services was in attendance along with Windy Culver-Molezzo of Hometown Health. Meeting began at approximately 4:32 p.m.

Call to Order: Committee member and attendee roll call was called. In Holly Luna's absence, Shannon Brown would provide notes and documents to Holly.

Consent Items: Christine Cooley moved to adopt the agenda, seconded by Marie Parola; motion carried 7-0. Marie Parola moved to adopt the minutes of the regular meeting on March 18, 2014, with corrections noted, seconded by Christine Cooley; motion carried 7-0.

Public Comment: None presented.

Claims Review: Tom Marshall of L/P Insurance reviewed claims data.

Exhibit 1

Net paid claims for the month of March (\$463,227) 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 \$551.43 compared to \$800.06 for the previous plan year, or a decrease of 31.08%. For employee only claims, costs were down from \$475.86 to \$425.78, a decrease of 10.52%. For dependent only claims, costs were down from \$1,502.82 to \$605.88, a decrease of 59.68%. Additionally, the cost per member (employee or dependent) was down from \$576.78 to \$395.10, a decrease of 31.50%.

Exhibit 3

Total net plan costs for March (\$520,152) 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 \$625.04, or a decrease of 27.68%. Employee only costs were down from \$529.84 to \$482.41, a decrease of 8.95%. Dependent only costs were down from \$1,550.26 to \$687.08, a decrease of 64.37%. Additionally, the cost per member (employee or dependent) was down from \$623.08 to \$451.49, a decrease of 27.54%.

Exhibit 5

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

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 \$945,384.

Exhibit 8

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of the previous month at \$945,384.

Discussions ensued regarding fluctuations in IBNR which Tom explained are tied to claims data and that due to the higher recent claim history, the lag in reporting reflects higher IBNR.

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 1,212 claims received + 273 remain open from the prior month, 1,295 were paid by month’s end, leaving 188 claims remaining open. Regarding claim payouts, 1,100 Claims were paid within 15 days (84.94%). An additional 176 Claims were paid within 16 – 30 days (98.53% in total), and claims that extended past 30 days totaled 19. Customer Service call volume was reported at 8,604 calls, answering 8,452 averaging 20 seconds to answer with a 2% noted abandonment rate of calls.

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 left notes that Shannon Brown relayed concerning fund financials. FY13/14 is projected to have an ending fund balance of \$3.1M, and the April Tentative for FY14/15 reflects an ending fund balance of \$2.1M. Holly will provide revisions, if any, that will be presented in the May Final FY14/15 budget submittal.

(Lloyd Barnes arrived ~ 4:45pm.)

Health Care Reform Update (Report):

Lloyd Barnes of L/P Insurance indicated that the out-of-pocket maximums will include combined the Rx and medical combined by January 1, 2015, and may not exceed \$6,350 for an individual for any plan (PPO or HSA). The committee will need to review plan to determine revisions to out-of-pocket maximums, if any.

Discussion ensued as to how many participants this will effect, or how much this will impact costs to the plan. Lloyd and Windy will review current, and potentially more than one more year, to provide a reasonable sample to bring to the fall review of the plan and the benefits.

Additionally, it was noted by Windy that there will be increased system requirements to “talk” to the PBM system in order to ensure compliance with the out-of-pocket maximum cap.

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. Also, pharmacy data (August) and out-of-pocket maximum (May) data will be also be added to future meetings.

Next Meeting(s): The next Committee Meeting was set for **May 20, 2014 at 4:30 p.m. at the District Office.**

The meeting adjourned via motion by Dwight Langdon, seconded by Andrew Fromdahl at approximately 5:00 p.m.

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