

**Minutes of the Advisory Health Benefit
Committee Meeting of May 20, 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
Holly Luna, District Office

Absent

Tom Marshall of L/P Insurance Services was in attendance along with Windy Culver-Molezzo of Hometown Health. Meeting began at approximately 4:36 p.m.

Call to Order: Committee member and attendee roll call was taken. Marie Parola moved to adopt the agenda, seconded by Shannon Brown; motion carried 8-0.

Public Comment: None presented.

Consent Items: Shannon Brown moved to adopt the minutes of the regular meeting on April 15, 2014, seconded by Jim Mathews; motion carried 8-0.

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

Exhibit 1

Net paid claims for the month of April (\$542,289) 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 \$592.56 compared to \$800.06 for the previous plan year, or a decrease of 25.94%. For employee only claims, costs were down from \$475.86 to \$449.58, a decrease of 5.52%. For dependent only claims, costs were down from \$1502.82 to \$690.97, a decrease of 54.02%. Additionally, the cost per member (employee or dependent) was down from \$576.78 to \$425.05, a decrease of 26.31%.

Exhibit 3

Total net plan costs for April (\$599,788) 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 \$666.13, or a decrease of 22.93%. Employee only costs were down from \$529.84 to \$506.20, a decrease of 4.46%. Dependent only costs were down from \$1550.26 to \$771.73, a decrease of 50.22%. Additionally, the cost per member (employee or dependent) was down from \$623.08 to \$481.81, a decrease of 22.67%.

Exhibit 5

The in hospital continues to run much less in April than prior year average, and the outpatient surgery is up from prior plan year. 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 April. 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 April at \$932,080.

Exhibit 8

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of the previous month at \$970,326S.

Holly Luna questioned the timing of the stop loss reimbursement. HTH and L/P indicated that they would true-up the reporting as much of the reimbursement owed had been received.

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). The Turn Around Time data reporting that of 1,168 claims received + 183 remain open from the prior month, 1,286 were paid by month’s end, leaving 57 claims remaining open. Regarding claim payouts, 1,193 Claims were paid within 15 days (92.77%). An additional 93 Claims were paid within 16 – 30 days (100% in total), and claims that extended past 30 days totaled 0. Customer Service call volume for April had not been updated.

Claims Data Review: Windy Culver-Molezzo presented an analysis of benefit utilization and out-of-pocket maximums of the plan users. The analysis reflected the calendar years 2012 compared to 2013, and showed a significant decrease in out-of-network claims for “single” category, and trend of in-network reflected change in limits. She reminded the committee that preventative services were 100% covered in CY2013, but not in 2012.

Self-Insurance Fund Projected Financials: Holly Luna reflected no change in assumptions from budget as presented in the prior month. 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.

Health Care Reform Update (Report):

None reported.

Correspondence (Report):

None reported.

Future Agenda Items:

(April) – 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 and discussion of vision benefits will be scheduled for August. Information requested regarding explanation of retirees and Medicare as primary will be also be added to future meetings.

Next Meeting(s): The next Committee Meeting was set for **August 26, 2014 at 4:00 p.m. at the District Office.**

The meeting adjourned via motion by Marie Parola, seconded by Shannon Brown at approximately 5:02 p.m.

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