

**Minutes of the Advisory Health Benefit  
Committee Meeting of February 17, 2015 at the  
District Office, Minden, Nevada**

**Committee Members Present**

Christine Cooley, DCPEA  
Debbie Haskins, DCSSO  
Ted Bates, DCBDA  
Shannon Brown, DCAA  
Holly Luna, District Office

**Absent**

Andrew Fromdahl, DCPEA  
Jim Mathews, DCPEA  
Paula Henricks, DCSSO

Tom Marshall of L/P Insurance Services was in attendance along with Marilyn Stephens of Hometown Health, and Cori Isherwood, DCSD HR Benefits Coordinator. Meeting began at approximately 4:30 p.m.

**Call to Order:** Committee member and attendee roll call was taken. Shannon Brown moved to adopt the agenda, seconded by Christine Cooley; motion carried 5/0.

**Public Comment:** None presented.

**Consent Items:** Ted Bates moved to adopt the minutes of the regular meetings of January 20, 2015; seconded by Debbie Haskins; motion carried 5/0.

**Claims Report:** Tom Marshall of L/P Insurance Services reviewed claims data.

**Exhibit 1**

Net paid claims for the month of January \$626,578 was higher than the monthly average for the previous plan year \$486,380. On a composite basis the average monthly claims cost per employee for the current plan year to date is \$767.87 compared to \$618.35 for the previous plan year, or an increase of 24.18%. Employee only claims costs were higher, \$667.37 compared to the prior year average \$456.08, an increase of 46.33%. (Note: One month compared to twelve month average.) For dependent unit only claims, costs are down from the prior year monthly average of \$777.08 to current \$420.52, a decrease of 45.88%. Additionally, the cost per member (employee or dependent) was up from \$442.16 to \$520.85, an increase of 17.79%.

**Exhibit 3**

Total net plan costs for January of \$682,992 were higher than the monthly average for the previous plan year \$544,341. On a composite basis, the average total cost per employee per month for current plan year to date compared to prior year average was higher, \$837.00 compared to \$692.03, or an increase of 20.95%. Employee only costs were up from the prior year average of \$512.67 to \$725.17, an increase of 41.45%. (Note: Again, one month compared to a twelve month average.) Dependent only costs were down from prior year average of \$858.97 to \$467.96, a decrease of 45.52%. Additionally, the cost per member (employee and dependent) was up from \$494.86 to \$604.73, an increase of 22.20%.

### Exhibit 5

Outpatient Hospital cost in January was four (4) times the prior year average. Office visit utilization as a function of percentage of total cost decreased from 19% in the prior year to 12% for the current year, and Outpatient Surgery dropping from 14% in prior year to 2% in current year. (Note: Again, one month compared to a twelve month average.) Overall utilization of other various medical services coverage by the plan for the current plan year to date is within a five (5) percent variance to those of the previous plan year.

### Exhibit 6

There have been no claims that have exceeded \$87,500 in the month of January. 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 January at \$835,795.

### Exhibit 8

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of the previous month at \$796,034.

**Customer Service Report:** Marilyn Stephens of Hometown Health presented the HHP Statistics Review, and issued copies of the “Hometown Health Customer Service Department Stats” (the Customer Service stats reflect HHP’s entire book of business, not solely DCSD stats). Customer Service call volume for January reflected higher volume due to open enrollment occurrences with 10,638 calls answered versus 10,960 accepted for the month. Average Seconds to Answer was reported as slightly above standard with Abandonment Rate lower than standard. She presented the Claims Turnaround Time data reporting that of 1,192 claims received + 0 open from the prior month, 1,178 were paid by month’s end, leaving 0 claims remaining open. Regarding claim payouts, 895 Claims were paid within 15 days (75.98%). An additional 273 Claims were paid within 16 – 30 days (99.15% in total), and claims that extended past 30 days totaled 11.

**Plan Benefits Review (Report):** Tom Marshall of L/P Insurance Services reported that hearing aid billed rates ranged from \$1,500 - \$6,000 with an average billed rate of \$3,265. He reported that none of L/P clients covered the benefit 100%, but rather that the benefit was limited and benefits varied by client, but not a typically covered benefit. (*Nate Kerr of L/P Insurance Services arrived.*)

Marilyn Stephens of Hometown Health reported data in 2014 dental claims reflecting the various thresholds of expenditures as well as number of preventative, basic and major services accessed by members.

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

None

**Correspondence (Report):**

None

**Future Agenda Items:**

*Review visions coverage for glass frames and lens (March meeting).*

**Next Meeting(s):** The next regular Committee Meeting was set for **Tuesday, March 17 at 4:30 p.m. at the District Office.**

The meeting adjourned at approximately 5:00 p.m.

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

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