

**Minutes of the Advisory Health Benefit  
Committee Meeting of April 21, 2015 at the  
District Office, Minden, Nevada**

**Committee Members Present**

Christine Cooley, DCPEA  
Andrew Fromdahl, DCPEA  
Debbie Haskins, DCSSO  
Jim Mathews, DCPEA  
Ted Bates, DCBDA  
Paula Henricks, DCSSO  
Holly Luna, District Office  
Shannon Brown, DCAA

**Absent**

Lloyd Barnes and Tom Marshall of L/P Insurance Services were not in attendance at the time the meeting began but joined at approximately 4:45 pm. Marilyn Stephens was present, representing Hometown Health. Meeting began at approximately 4:32 p.m.

**Call to Order:** Committee member and attendee roll call was taken. Andrew Fromdahl moved to adopt the agenda with flexibility pertaining to the claims' report as LP would be joining the meeting late, seconded by Christine Cooley; motion carried 8/0.

**Public Comment:** Several committee members as well as members of the public requested public comment for the purpose of discussing the premium holiday approved at the April 14<sup>th</sup> board meeting, including Christine Cooley, Nancy Hamlett, Andrew Fromdahl, Jim Mathews, Konnie Susich, and Debbie Haskins. Comments included concern about lack of notice, lack of committee member review and opinion, concern about ending fund balance in the long run, inability to locate the relevant information in the board packet, timing of the board decision, lack of input on decision making, that health insurance money should not be utilized to fund gaps in the general fund, and prior premium holidays were taken to prevent job loss. Members of the public and committee were reminded that no action could be taken at this time.

**Consent Items:** Christine Cooley wished to make an amendment to the minutes, and Andrew Fromdahl requested time to find the information. Consent item was set aside until the end of the meeting at which time Christin Cooley moved to adopt the minutes of the regular meetings of March 17, 2015 with the request to amend through addition of current vision benefits as relayed by Andrew Fromdahl; seconded by Andrew Fromdahl; motion passed, 8/0.

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

**Exhibit 1**

Net paid claims for the month of March \$661,000 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 \$707.59 compared to \$618.35 for the previous plan year, or an increase of 14.43%. Employee only claims costs were higher, \$553.86 compared to the prior year average \$456.08, an increase of 21.44%. For dependent unit only claims, costs are

down from the prior year monthly average of \$777.08 to current \$646.93, a decrease of 16.75%. Additionally, the cost per member (employee or dependent) was up from \$442.16 to \$480.17, an increase of 8.6%.

#### Exhibit 3

Total net plan costs for March of \$717,215 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, \$776.66 compared to \$692.03, or an increase of 12.23%. Employee only costs were up from the prior year average of \$512.67 to \$584.14, an increase of 19.31%. Dependent only costs were down from prior year average of \$858.97 to \$695.48, a decrease of 19.03%. Additionally, the cost per member (employee and dependent) was up from \$494.86 to \$560.95, an increase of 13.36%.

#### Exhibit 5

Outpatient Hospital and Outpatient Surgery appear anomalous due to reporting changes. 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 two (2) members whose claims have exceeded \$87,500 in 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; neither of the claims broke the stop-loss barrier of \$175,000.

#### Exhibit 7

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of March at \$852,154 or an increase of 2.8% compared to the prior month.

#### Exhibit 8

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of the previous month at \$828,627.

**Customer Service Report:** Marilyn Stephens presented the HTH 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 March reflected 9,234 calls answered versus 9,348 accepted for the month. Average Seconds to Answer was reported as well below standard with Abandonment Rate lower than standard. She presented the Claims Turnaround Time data reporting that of 1,354 claims received + 253 open from the prior month, 1,569 were paid by month’s end, leaving 51 claims remaining open. Regarding claim payouts, 1,429 Claims were paid within 15 days (90.89%). An additional 117 Claims were paid within 16 – 30 days (98.35% in total), and claims that extended past 30 days totaled 26.

**Self-Insurance Fund Projected Financials (Report):** Holly Luna reported the April Tentative budget for FY15/16 reflected an estimated current year ending of \$4.0M and an outlook for

FY15/16 ending funding balance of \$2.6M with 1 premium holiday noted in reductions of revenues in FY15/16.

**Health Care Reform Update (Report):** Lloyd Barnes updated the committee on new forms required through the district's payroll reporting system (IRS Code 6055 & 6065) to be provided to taxpayers by the district as a self-insured employer. Discussion ensued regarding the possibilities of the "Cadillac tax" and timeframe of affecting district employees was noted to not be imminent but to not lose sight of the potential in the future.

**Correspondence (Report):**

None.

**Future Agenda Items:**

Special Meeting requested for May 4 @ 4pm to discussion Premium Holiday.

**Next Meeting(s):** The next regular Committee Meeting was set for **Tuesday, May 19<sup>th</sup> at 4:00 p.m. at the District Office.**

The meeting adjourned at approximately 5:05 p.m.

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

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