

**Minutes of the Advisory Health Benefit
Committee Meeting of May 19, 2015 at the
District Office, Minden, Nevada**

Committee Members Present

Christine Cooley, DCPEA
Andrew Fromdahl, DCPEA
Debbie Haskins, DCSSO
Jim Mathews, DCPEA
Paula Henricks, DCSSO
Holly Luna, District Office
Shannon Brown, DCAA
Ted Bates, DCBDA (*arrived @ approximately 4:23pm*)

Absent

Lloyd Barnes and Nate Kerr of L/P Insurance Services, along with Marilyn Stephens of Hometown Health and Cori Isherwood, DCSD Benefits' Coordinator, were present. Meeting began at approximately 4:00 p.m.

Call to Order: Committee member and attendee roll call was taken. Andrew Fromdahl moved to adopt the agenda, seconded by Christine Cooley; motion carried 7/0.

Public Comment: None

Consent Items: Andrew Fromdahl moved to adopt the minutes of the regular meeting of April 21, 2015; seconded by Shannon Brown; motion passed, 8/0.

Claims Report: Lloyd Barnes of L/P Insurance Services reviewed claims data.

Exhibit 1

Net paid claims for the month of April \$489,412 is 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 \$680.40 compared to \$618.35 for the previous plan year, or an increase of 10.04%. Employee only claims costs were higher, \$538.15 compared to the prior year average \$456.08, an increase of 18.00%. For dependent unit only claims, costs are down from the prior year monthly average of \$777.08 to current \$601.83, a decrease of 22.55%. Additionally, the cost per member (employee or dependent) was up from \$442.16 to \$461.72, an increase of 4.42%.

Exhibit 3

Total net plan costs for April of \$545,645 are higher than the monthly average for the previous plan year of \$544,341. On a composite basis, the average total cost per employee per month for the current plan year to date compared to the prior year average was higher at \$749.41 compared to \$692.03, or an increase of 8.29%. Employee only costs are up from the prior year average of \$512.67 to \$595.95, an increase of 16.25%. Dependent only costs were down from the prior year

average of \$858.97 to \$649.45, a decrease of 24.39%. Additionally, the cost per member (employee and dependent) was up from \$494.86 to \$541.36, an increase of 9.40%.

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 are within a five (5) percent variance to those of the previous plan year.

Exhibit 6

There are three (3) members whose claims have exceeded \$87,500 through 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; none of the claims have exceeded the specific stop-loss.

Exhibit 7

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of April at \$839,943 or a decrease of 1.4% 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 \$852,154.

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 April reflected 8,695 calls answered versus 8,850 accepted for the month. Average Seconds to Answer was reported as below standard with Abandonment Rate lower than standard. She presented the Claims Turnaround Time data reporting that of 1,273 claims received + 154 open from the prior month, 1,390 were paid by month’s end, leaving 38 claims remaining open. Regarding claim payouts, 1,309 Claims were paid within 15 days (94.17%). An additional 71 Claims were paid within 16 – 30 days (99.28% in total), and claims that extended past 30 days totaled 10.

Self-Insurance Fund Projected Financials (Report): Holly Luna reported the May Final budget for FY15/16 remained unchanged from the April Tentative, reflecting an estimated current year ending of \$4.0M and an outlook for FY15/16 ending funding balance of \$2.6M with inclusion of proposed premium holiday noted in reductions of revenues in FY15/16.

Health Care Reform Update (Report): Lloyd Barnes reviewed required forms 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: Discussion ensued as to potential items for review as Committee looked at plan and premiums for upcoming plan year.

Next Meeting(s): The next regular Committee Meeting was set for **Tuesday, August 18th at 4:15 p.m. at the District Office.**

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

Respectfully Submitted,
Holly Luna, CFO, Business Services
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