

**Minutes of the Advisory Health Benefit  
Committee Meeting of August 25, 2015 at the  
District Office, Minden, Nevada**

**Committee Members Present**

Christine Cooley, DCPEA  
Andrew Fromdahl, DCPEA  
Debbie Haskins, DCSSO (*arrived @ 4:24pm, left 4:54pm*)  
Jim Mathews, DCPEA  
Paula Henricks, DCSSO  
Holly Luna, District Office  
Shannon Brown, DCAA

**Absent**

Ted Bates, DCBDA

Lloyd Barnes and Nate Kerr of L/P Insurance Services were present. Meeting began at approximately 4:19 p.m.

**Call to Order:** Committee member and attendee roll call was taken. Andrew Fromdahl moved to adopt the agenda as a “flexible agenda,” seconded by Jim Mathews; motion carried 6/0.

**Public Comment:** None

**Committee Comment:** None

**Consent Items:** Shannon Brown requested that the date on the May 19<sup>th</sup> minutes for the next meeting be revised to August 18<sup>th</sup>, and Andrew Fromdahl requested that the May 19<sup>th</sup> minutes reflect the motion to approve the minutes be revised to reflect the appropriate second. Shannon Brown moved to adopt the minutes of the special meeting of May 4, 2015 and the regular meeting of May 19, 2015 with noted revisions; seconded by Andrew Fromdahl; motion passed, 7/0.

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

**Exhibit 1**

Net paid claims for the month of July \$628,753 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 \$645.62 compared to \$618.35 for the previous plan year, or an increase of 4.41%. Employee only claims costs were higher, \$510.45 compared to the prior year average \$456.08, an increase of 11.93%. For dependent unit only claims, costs are down from the prior year monthly average of \$777.08 to current \$573.21, a decrease of 26.24%. Additionally, the cost per member (employee or dependent) was down from \$442.16 to \$438.47, a decrease of 0.83%.

### Exhibit 3

Total net plan costs for July of \$692,303 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 \$723.47 compared to \$692.03, or an increase of 4.54%. Employee only costs are up from the prior year average of \$512.67 to \$568.27, an increase of 10.85%. Dependent only costs were down from the prior year average of \$858.97 to \$658.31, a decrease of 23.36%. Additionally, the cost per member (employee and dependent) was up from \$494.86 to \$522.73, an increase of 5.63%.

### 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 July. 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. No claims have pierced the specific stop-loss.

### Exhibit 7

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of July at \$825,473 or a decrease of 0.01% 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 \$825,591.

**Customer Service Report:** none

**Self-Insurance Fund Projected Financials (Report):** Holly Luna provided an overview of the FY14/15 financials to include monthly premiums, fixed costs, and claims. The unaudited financials for FY14/15 were estimated to reflect an ending fund balance of \$3.894 million versus the last budget projections as shown in the December Amended Budget of \$3.365 million.

**DCSD Plan Review (Report):** Lloyd Barnes provided a historical overview of the plan from July 2002 through July 2015 that reflected the quarterly claims expenditures, rolling 12 month average of claims, and for the last 2 years the blended premium rate per employee. He also provided the budget rate calculation for the upcoming 2016 calendar year which projected a 19.18% rate increase in order to off-set the projected \$1.3 million deficit in claims expenditures should the premiums remain at current values.

**Health Care Reform Update (Report):** No updates were provided. It was noted that this item will no longer be needed as a standing agenda item.

**Correspondence (Report):**

None.

**Future Agenda Items:** none.

**Next Meeting(s):** The next regular Committee Meeting was set for **Tuesday, September 15<sup>th</sup> 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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