

**Minutes of the Advisory Health Benefit
Committee SPECIAL Meeting of October 27, 2015 at the
District Office, Minden, Nevada**

Committee Members Present

Christine Cooley, DCPEA
Andrew Fromdahl, DCPEA
Debbie Haskins, DCSSO (*arrived @ 4:40p.m.*)
Jim Mathews, DCPEA
Paula Henricks, DCSSO (*arrived @ 4:40p.m.*)
Holly Luna, District Office
Shannon Brown, DCAA
Ted Bates, DCBDA

Absent

Cori Isherwood, DCSD Human Resources, was also present. Meeting began at approximately 4:35 p.m.

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

Public Comment: None

Committee Comment: None

DCSD Plan Review (Report): Committee resumed discussion from the prior week. Holly Luna distributed information provided by L/P Insurance, and due to the nature of ensuing committee member questions, called Lloyd Barnes via phone and conferenced him in to provide details on the summary. Lloyd indicated that vision benchmarking was a bit difficult because DCSD plan benefits were “allowance based” versus VSP coverage based on “in-network optometrists and specified selections” which are covered at 100%, and additional fees are applied if member wishes to “buy-up” in lenses or frames. DCSD’s plan is “open” and allowed based, not based on an approved network. Usual & Customary pricing for frames is approximately \$200 for Nevada and single lenses is approximately \$150. It was also noted that due to ACA regulations regarding an Essential Health Benefit, the plan should not denote a lifetime maximum in order to remain in compliance with ACA. However, there is not current guidance on how to limit the plan’s exposure to someone who wishes to purchase a \$15,000 pair of hearing aids versus a \$3,500 pair of hearing aids. It was noted that a preferred provider of hearing aids was not yet available.

Andrew motioned to not act on hearing aid coverage revision proposals, seconded by Christine Cooley. Further discussion ensued about requiring further research and assurances to remain in regulatory compliance with ACA, and timing to introduce this item as a new benefit. Motion passed 8/0.

Andrew motioned to change the frame allowance from \$100 to \$150; change single-vision lenses' allowance from \$40 to \$115; change Bi/Tri lenses allowances from \$50/\$60 respectively to \$125, seconded by Debbie Haskins.

Committee discussion ensued. The average Usual and Customary (U&C) pricing for frames is just above \$200 for Nevada. For single vision lenses the U&C is around \$150. Currently, the DCSD vision coverage for frames is at just below 50% of the U&C. This recommendation puts the plan at about 75% of the U&C. Currently, the DCSD vision coverage for single-vision lenses is about 27% of the U&C. This recommendation puts the plan at about 77% of the U&C.

Committee members in favor expressed the desire to increase vision allowances to bring the frame and lenses portion closer in line with more average pricing. These members anticipate the vision changes will be offset by the savings from the Nevada Business on Group Health contract.

Members against increasing benefits expressed concerns about an increased cost to the plan by changing the vision plan in light of the projected deficit. Specifically, premiums may need to increase with employee participation rather than 100% of the premium paid by the District for eligible personnel.

Andrew noted that last fall the eye exam coverage was raised to \$150 which put the DCSD plan just below the average price for our area. Frames and lenses, however, were not changed at that time. It is unknown how long the current frame and lenses' allowances have been in place. The best estimate is at least ten years or more.

It was also mentioned that the Committee should look at moving towards a preferred provider or in-network plan, and away from an allowance-based benefit to align DCSD's plan with more of a standard benefit.

Motion passed 6/2, Holly Luna and Shannon Brown were dissenting votes.

Lengthy discussions regarding ending fund balance, past, present and future premiums, projected deficit, premium holidays, and participation by plan participants ensued. Holly Luna requested input on Committee recommendation to the board regarding the projected deficit and the ending fund balance. It was acknowledged that the intent was to have the projected deficit absorbed by the Ending Fund Balance. Christine Cooley volunteered to present all items to the board at the November 10th meeting.

Correspondence (Report): Holly Luna shared that she had provided references to Nancy Hamlett and Debbie Haskins with regard to wellness and preventative coverage per the Summary Plan Document (SPD). Additionally, notification from Hometown Health had been officially provided regarding contract resolution with Barton.

Future Agenda Items: Stop Loss renewal and NVBGH contract for the November meeting. It was requested that a standing administrative report be added to future agendas regarding plan review to include projected rates, claims costs, premium and benefit changes for plan year 2017.

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

The meeting adjourned at approximately 5:25 p.m.

Respectfully Submitted,
Holly Luna, CFO, Business Services
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