

**Minutes of the Advisory Health Benefit
Committee Meeting of December 15, 2015 at the
District Office, Minden, Nevada**

Committee Members Present

Christine Cooley, DCPEA
Andrew Fromdahl, DCPEA
Jim Mathews, DCPEA
Paula Henricks, DCSSO
Holly Luna, District Office
Shannon Brown, DCAA (*left at 4:56p.m.*)

Absent

Ted Bates, DCBDA
Debbie Haskins, DCSSO

Tom Marshall of L/P Insurance Services was present, along with Marilyn Stephens of Hometown Health. Meeting began at approximately 4:34 p.m.

Call to Order: Committee member and attendee roll call was taken. Paula Henricks moved to adopt the agenda, seconded by Shannon Brown; motion carried 6/0.

Public Comment: None

Committee Comment: Christine Cooley commented on the minutes but requested no changes.

Consent Items: Paula Henricks requested a few more grammatical changes to the minutes. Shannon Brown moved to adopt the minutes the regular meeting of November 17, 2015 to include the revisions requested by Paula, and Andrew Fromdahl seconded the motion. Motion passed, 6/0.

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

Exhibit 1

Net paid claims for November \$348,413 are lower than the monthly average for the previous plan year of \$486,380. On a composite basis the average monthly claims cost per employee for the current plan year to date is \$628.89 compared to \$618.35 for the previous plan year, or an increase of 1.70%. Employee only claims costs were lower, \$438.46 compared to the prior year average \$456.08, a decrease of 3.86%. For dependent unit only claims, costs are up from the prior year monthly average of \$777.08 to current \$814.36, an increase of 4.80%. Additionally, the cost per member (employee or dependent) was down from \$442.16 to \$427.51, a decrease of 3.32%.

Exhibit 3

Total net plan costs for November of \$410,413 are lower than the monthly average for the previous plan year of \$544,341. On a composite basis, the average total net cost per employee per month for the current plan year to date compared to the prior year average was higher at \$706.58 compared to \$692.03, or an increase of 2.10%. Employee only net costs are down from

the prior year average of \$512.67 to \$496.30, a decrease of 3.19%. Dependent only net costs are up from the prior year average of \$858.97 to \$901.06, an increase of 4.90%. Additionally, the net cost per member (employee and dependent) was up from \$494.86 to \$509.79, an increase of 3.02%.

Exhibit 5

Average Hospital Admits and Average Length of Stay are similar year over year, but Cost per Stay and Cost Per Day have almost increased from \$9,620 to \$14,749 and \$3,829 to \$5,882 respectively. 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 seven (7) members whose claims have exceeded \$87,500 through November. 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. Two claims have exceeded the specific stop-loss level and the plan will be reimbursed for an estimated total of \$313,769.

Exhibit 7

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of November at \$820,207 or a decrease of 2.5% 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 \$841,443.

Tom Marshall addressed a question asked by Andrew Fromdahl from the prior month's meeting regarding the discrepancy between the reimbursement amount shown on Exhibit 6 versus Exhibits 1 and 3. Tom indicated that he had reviewed with Hometown Health and discovered that the recoveries on Exhibit 6 were only reflecting medical reimbursements, and not inclusive of Rx. He would be working with Hometown Health to produce inclusive figures going forward.

Customer Service Report: Marilyn Stephens inadvertently had brought the wrong client's data and as such, proceeded to verbally present "Hometown Health Customer Service Department Stats" (the Customer Service stats reflect HHP's entire book of business, not solely DCSD stats). Claims Turnaround Time data would be sent to committee members via email. (*Follow-up: sent via email on 12/16/15.*)

Self-Insurance Fund Projected Financials (Report): Holly Luna presented FY15/16 financials calculated through a rolling forecast based on revenue and claims received through

mid-December reflecting an Ending Fund Balance (EFB) estimate of \$3,153,993 and estimated Cash Balance of \$3,619,025. She indicated that the FY14/15 EFB and Cash Flows had been updated to reflect audited numbers. Committee discussion ensued to discuss the differences between the December Amended and Rolling forecast which reflected better trend data for the months of October and November. Additional discussion followed regarding the differences between a static budget (e.g. December Amended) and the rolling forecast.

Stop-Loss Insurance Renewal (Report): Holly Luna indicated that the board had approved the stop-loss renewal with AIG. Holly further noted that the final stop-loss submittals were different than had been presented to the committee at the November meeting, but due to the flexible committee recommendation to make the final selection based on lowest cost combined with lowest risk to the plan, AIG remained the best solution. The board approved them as the District's stop-loss carrier based on their final quote.

Correspondence (Report): Holly Luna indicated that she had signed a confidentiality agreement with NVBGH, Renown and Hometown Health, and was in process of submitting required census data which NVBGH will use to formulate an invoice for participation in NVBGH with an implementation date of January 1, 2016.

Future Agenda Items: Multiple items were added to a list for future committee review in conjunction with plan review for the calendar year 2017 to include: ACA review of collected taxes by year and tax type; updated projection rate sheet; review of changing vision benefits from an allowance based system to a preferred provider system; and review of the past two years of stop-loss costs.

Next Meeting(s): The next Committee Meeting was set for **Tuesday, January 26th at 4:30 p.m.** at the District Office.

The meeting adjourned at approximately 5:20 p.m.

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