

**Minutes of the Advisory Health Benefit  
Committee Meeting of February 16, 2016 at the  
District Office, Minden, Nevada**

**Committee Members Present**

Christine Cooley, DCPEA  
Jim Mathews, DCPEA  
Paula Henricks, DCSSO  
Holly Luna, District Office  
Shannon Brown, DCAA  
Andrew Fromdahl, DCPEA

**Absent**

Gregory Walker, DCBDA  
Debbie Haskins, DCSSO

Marilyn Stephens of Hometown Health was present along with Cori Isherwood, DCSD HR Benefits' Coordinator. Meeting began at approximately 4:34 p.m.

**Call to Order:** Committee member and attendee roll call was taken. Holly Luna noted that representatives from L/P Insurance were unable to attend due to scheduling conflicts. Andrew Fromdahl moved to adopt the agenda, seconded by Jim Mathews; motion carried 6/0.

**Public Comment:** None

**Committee Comment:** None

**Consent Items:** Holly Luna requested that separate action be taken for adoption of each of the meeting minutes. Shannon Brown moved to adopt the December 15 meeting minutes, seconded by Jim Mathews. Motion passed 6/0. Jim Mathews moved to adopt the January 19 meeting minutes, seconded by Paula Henricks. Motion passed 5/0 with Andrew Fromdahl abstaining.

**Claims Report:** Holly Luna reviewed claims data on behalf of L/P Insurance Services.

**Exhibit 1**

Net paid claims for January \$445,976 are lower than the monthly average for the previous plan year \$511,578. On a composite basis the average monthly claims cost per employee for the current plan year to date is \$558.87 compared to \$630.67 for the previous plan year, or a decrease of 11.39%. Employee only claims costs were lower, \$402.37 compared to the prior year average \$437.45, a decrease of 8.02%. For dependent unit only claims, costs are down from the prior year monthly average of \$828.20 to current \$671.41, a decrease of 18.93%. Additionally, the cost per member (employee or dependent) was down from \$428.88 to \$377.95, a decrease of 11.88%.

**Exhibit 3**

Total net plan costs for January of \$505,887 are lower than the monthly average for the previous plan year of \$574,569. 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 lower at \$633.94

compared to \$746.81, or a decrease of 15.11%. Employee only net costs are down from the prior year average of \$495.29 to \$458.87, a decrease of 7.35%. Dependent only net costs are down from the prior year average of \$453.55 to \$365.72, a decrease of 19.37%. Additionally, the net cost per member (employee and dependent) was down from \$481.68 to \$428.84, a decrease of 10.97%.

#### Exhibit 5

Inpatient Hospital as a percentage of utilization is lower in the current plan year at 1% as compared to the prior year of 16%. Pharmacy as a percentage of utilization is higher in the current plan year at 18% as compared to the prior year of 12%. 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 no members whose claims have exceeded \$87,500 through January. 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.

#### Exhibit 7

Our calculations estimate the Incurred But Not Reported (IBNR) claims liability as of the end of January at \$741,239 or a decrease of 4.5% 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 \$776,480.

**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). She indicated that there had been high call volume in January as was expected for Senior Care enrollment as well as the addition of the Nevada Business Group on Health (NVBGH). She also presented the Claims Turnaround Time data reporting that of 1,243 claims received + 0 open from the prior month, 1,099 were paid by month’s end, leaving few claims remaining open. Regarding claim payouts, 840 Claims were paid within 15 days (76.43%). An additional 248 Claims were paid within 16 – 30 days (99.00% in total), and claims that extended past 30 days totaled 11.

**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-February reflecting an Ending Fund Balance (EFB) estimate of \$4,088,390 and estimated Cash Balance of \$4,903,423.

**DCSD Plan Review (Information and Discussion):** Holly Luna presented data regarding reinsurance costs for the past two years. Total premiums for calendar 2014 and 2015 were \$539,767.50 and \$529,365.65 respectively. Reinsurance reimbursements for calendar 2014 and 2015 were \$232.02 and \$382,693.29 respectively.

Future items for discussion were notes as requests: expansion of HSAs as well as potential for annual deposit rather than monthly as fees are incurred with every deposit. Additionally, opting out of plan was noted as a potential impact.

**Correspondence (Report):** None.

**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: review of changing vision benefits from an allowance based system to a preferred provider system (L/P Insurance); and U&C for out-of-network (Marilyn HTH). Additionally, Holly Luna provided an outline for members to review in advance of the next meeting for recommending an ending fund balance and steps to maintaining a balanced self-insured fund. It was also requested by Christine Cooley that perhaps the Committee provide a progress report periodically to the board rather than solely in November and December when plan revisions and stop loss insurance agreements are recommended. Andrew Fromdahl also requested that a board member sit-in as a non-voting member to the committee meetings.

**Next Meeting(s):** The next Committee Meeting was set for **Tuesday, March 15<sup>th</sup> at 4:00 p.m.** at the District Office.

The meeting adjourned at approximately 5:14 p.m.

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

---