

Present: Tracy Scott, Braumlee Boyce, Paul Dougherty - Chair, Jack Fallon, Mike Thiel, Greg Letourneau, Dawn Ann Anderson, Kris Hursh, Scott Haas (via Skype), Ross Gustafson, Greg Letourneau, Niki Dykstra, Mark Flatau

Elected Proxies: Anne Castren, Lynn Ogden-Rider, Hollis May, Karen Mainolfi

**Opened at 4:07 PM**

**No KPS Financials update from Gwyn Andersen**

**USI Underwriting and Experience Report**

- Typical month in April
  - Dropped off from March with more normal claims
  - Rolling 12 loss ratio: 94.94%
    - Still tracking ahead of budget
- Large Claim Fluctuations
  - Stop-loss reimbursement coming soon, allow us to end the year on positive note
- Medical + RX claims
  - Ahead of last year
  - Last month: 11 High Claims
    - Now 15
      - FCH and USI in discussion regarding prognoses
      - Conference call tomorrow (5/31)
    - Acceptable loss ratio expected
    - March saw cyclical claims, but now high claims are cancer related
    - Comparing 2018-2019 large claims (15)
      - 2018-2017: 17
      - 2017-2016: 20
      - 2015-2016: 21
  - Plan design and stop loss seems to weather large claims with a degree of stability unseen in recent years
- Dental
  - Still running at loss ratio
  - 2019-2020 premium renewal action will help
  - By September we will have a clear picture of future stability

**Family and Dependents Audit**

- As discussed in the past, we explored what an eligibility audit would look like
  - As of right now, any and all dependents who are plan eligible can be on plan
  - USI data shows that 38.1% 2018-2019 large claims were from spouses
    - 2017-2018 large claims 53% were from spouses
  - What is the overall impact on plan structure if dependents eligible for other insurance (Healthy Montana Kids, Medicare, other employer provider health insurance, etc) were removed from plan
  - Timing an audit?
    - Can take 3-4 months
    - If done by spring, we could be ready to move by next year's open enrollment

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- How do we communicate this?
  - Could we hire a firm?
    - Audits cost \$12,000-\$14,000
- Amnesty period for those found in violation of rule changes
- Legality of questions?
  - Scott Haas will pursue proposals from audit over the summer
- Roughly 1,300 people on plan
  - 566 employees
  - 237 spouses
  - 412 children

### **Open Enrollment**

- Successful first month of online open enrollment.
  - Tech issues ameliorated
- Life Insurance
  - CBA says employees get life so how can we offer it to employees who opt out of health insurance? Or if married employees choose not to insure themselves?
    - Management question

### **On Site Clinic Discussion**

- Where do upfront money come from?
  - What are the optics of this?
- Build an expense load?
  - Would require increased premiums, which could not happen until July 2020
- Other parties? Performance guarantees?
  - Erik has copy of these updated contracts
  - City of Kalispell has power to assess permissive levy
  - Jack will meet with Kalispell and Whitefish city employee representatives
  - Due to levy failing, KPS cannot take lead on this
  - Members present and assigned proxies voted any pursuit of on site clinic be done with CareHere, though the sense of urgency on KPS is very much relaxed given our new reality.

### **Replacing Mike Lincoln**

- Our most difficult agenda item!
- Micah Hill politely declined. Perhaps Brad Holloway, once he has adjusted to his new role at FHS..

### **Meeting adjourned at 5:42PM**

**Next meeting during Summer Vacation TBD**