

Present: Tracy Scott, Braumlee Boyce, Paul Dougherty - Chair, Jack Fallon, Mike Thiel, Gregg Letourneau, Kris Hursh, Scott Haas, Ross Gustafson, Gwyn Andersen, Dawn Ann Anderson, Anne Castren, Lynn Ogden-Rider, Hollis May, Alex Schaeffer, Jared Weenum (CareHere)

Opened at 4:00 PM

District Financials

- Questions left from previous meeting regarding loan amount:
 - Summary of phone call between Mark Flatau and Paul Dougherty 9/18
 - Loan figure present on June 30, 2019 statement of financial position reflected year end budget numbers, new statements of financial position (August and July) made available to committee on the morning of September 26 reflect original sum of \$725,000.
 - Gwyn Andersen explains:
 - District money goes from payroll to an account held by Flathead County, which then is deposited into a district clearing account held by First Interstate Bank, which First Choice Health also has access to.
 - No third parties (ie FCH) can have access to county bank accounts
 - First Choice Health, as KPS self-funded Third Party Administrator, pays claims, reimburses itself thru funds set aside in clearing account at First Interstate Bank
 - Jack Fallon: Loan will eventually need to be paid back by self funded plan.
- Already plan is \$218,000 in the red this plan year.
 - We can't predict claims, only revenue.

Plan Year End Reconciliation between USI and KPS and USI Analysis

- 4 categories of insurance claims
 - Administrative fees
 - Claims
 - Non-Claim
 - Risk Charge (underwriting and risk pooling)
- Stop-Loss Insurance paid out less than we paid into it
 - This could help our rates going forward, as in years past we have vastly exceeded our stop-loss premiums in stop-loss reimbursements.
 - 2 years ago, stop-loss carrier was hosed.
 - Offered 30% premium increase the following year, we went out for bid
 - Current provider answered, offered as little as 15% increase
 - This year, based on individual care trends, we should see cases reach stop-loss.
 - Potential Laser's
- On plan income, off by 2.4%
 - Last year, off by 6/10th of a percent.
 - Probably due to KPS innate understanding of prorated employee premiums, ebb and flow of employment, etc.
- USI will always default to district financials.
 - Underwrite from there

- Financial future:
 - Plan needs to think about building a reserve, still.
 - Scott Haas: too often this comes at the whole at expense of the employee
 - Alex Schaeffer: District can always increase contribution outside of CBA year.
 - Scott Haas: Insurance is for unknown risk, not known risk.

Strategies for financial future:

- Dependent Audit
 - Would cost \$14,000 upfront.
 - Below average scenarios modeled on KPS: ~15 ineligible dependents removed, potentially saving \$52,000 annually
 - Average scenarios see ~23-38 ineligible dependents removed, saving plan potentially ~\$80,500-133,000 annually
 - Above average sees ~46-76 removed, ~\$161,000-266,000
 - Takes 16 weeks. Decisions based on findings go into effect 7/1/2020
 - Will assemble preliminary google form
 - Questions from committee:
 - No risk of *un-insuring* individuals
 - What about potentially unloading a depending onto a plan that is inferior/more costly?
 - ACA regulations mean employer-offered plans must conform to minimum standards.
 - Will start with district wide google form to be sent out by health insurance committee as committee communication. Scott Haas and Paul Dougherty to take lead on.

On Site Clinic Discussion

- Jack Fallon: Finance committee last met 30 days ago, location still available.
 - CareHere's preferred Location still available (340 West Center Street, Jones Denistry occupies first half, second half of building vacant)
 - Not currently listed
 - No further real estate investigations since last month
 - Would require remodeling costs.
 - Other entities (Kalispell city employees, Whitefish city employees, local state employee associations fell through--up to KPS to build it)
- Jared Weenum, CareHere:
 - Last year, KPS spent \$159 on average for office visits. CareHere guarantees these would cost \$146 in the first year, \$126 in the second. No mark up, no margins.
 - CareHere calculates a clinic open 20 hours a week would match our demand, with option to expand should need arise, other groups utilize the space.
 - Savings are not significant at site of service, but become significant from long term preventative care.
 - Clinic would cost \$15 per employee per month
- Questions from committee:

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- What level of access for employees/members of the public not on a health plan?
 - Committee would establish eligibility.
- Performance guarantees?
 - Discussed in the spring, proposals with performance guarantees never delivered to HIC.
 - Towards that end, CareHere predicts \$207,000 savings in the first year. Based on only 40% utilization
 - Could further incentivize this by making our clinic only ACA-mandated free-preventative care location for health plan (all other providers would be subject to fees from employee)
 - This is an option available to us anytime, not just July 1
 - CareHere would make medical records available to local specialists, surgeons, etc should members need or want to go for follow up care.
- Committee would like an itemized list of services from CareHere
- CareHere currently presented five year contract.
 - At last insurance meeting, the Committee was informed that a 5 year contract would waive build out fees.
 - CareHere agrees to wave build out fees for a 3 year contract.
 - Committee would like a copy of a 3 year contract which waives build out fees and offers performance guarantees.
- Is this process compliant with Montana state sunshine laws?
 - Gwyn Andersen assures committee that yes, we are compliant with obligations of public institutions to inform. District is allowed to lease property.
- Who pays for this?
 - Jack Fallon: Would be paid via use, perhaps an initial fee for members even on Plan 1.
 - Jack Fallon: Finance committee believes remodeling costs and rent would need subsidy from Interlocal, paid back by Insurance plan. Still need quote from architects retained by District.
 - Insurance committee will need to decide their level of engagement, considering the already outstanding loan amounts between District and Plan (\$725,000 currently on books).
 - Jack Fallon insists we must begin formulating a plan to pay back this amount at the next meeting.
 - Could capture some revenue from other local groups who are interested.

Next meeting will be at 4PM on October 31st, at the FHS Conference Room. Meeting adjourned at 630.