

## Health Insurance Committee Minutes February 27, 2020

Present: Dawn Ann Anderson, Mike Thiel, Niki Dykstra, Alex Schaeffer, Jack Fallon, Kris Hursh, Paul Dougherty - Chair, Anne Castren, Ross Gustafson, Lynn Ogden-Rider, Hollis May, Cindy Jones, Tracy Scott, Braumlee Boyce, Mark Flatau, Mark Carlson (CareHere), Scott Haas (USI), Luanne Tufts (USI), Ernie Clevenger (CareHere), Nicolé Dryer (FCH)

### January 30

#### Opened at 4:05 PM

#### Care Here Director of Health and Indicatives, Mark Carlson

- Mark Carlson introduced himself and his role as a liaison between CareHere and KPS Insurance Committee

#### Committee Functionality

- Lynne Rider spoke of concerns regarding committee participation and voting. She took these concerns to Tracy Scott and wants to clear the air going forward.
- We have tremendous concerns about the initial cost projections and what it is costing now
- Concerns of side conversations happening without committee input or presence. All agree KPS insurance committee deserves larger role in this conversation.
- Cindy Jones: we need more elementary representation on the committee.
- Jack Fallon promises greater transparency plus accountability to committee.
  - Right now Finance committee is working on correcting formulas regarding costs, numbers might actually prove better in long run.

#### Monthly Underwriting analysis from Scott Haas at USI

- January 2020 has 5 Fridays, something that happens ~2 months a year
  - January claims were astronomical.
  - PRescription drugs shot up
    - 2 new speciality drug claims
      - 1st is \$40,000/month
      - 2nd is a 3 month regime of "cure drugs," then cost will come off
        - Be prepared: sometimes take 2 cycles
      - First month in our plan history that specialty drugs have exceeded \$100,000
    - Should see some stop-loss relief
  - Total claims: \$612,000
- Stop-Loss
  - Scott added another case to the projections
  - 2 more large claims
  - Currently 9 large claims.
    - 1 year ago had 22
    - Fewer cancers in district than year ago
- Dental
  - Still running better than last year
  - Scott is hopeful good trend continues
- Ultimately, January was bad, but not as bad as November.

### **Renewal Calculations with Scott Haas**

- USI recommends eliminating High Deductible Plan
  - Biggest reason to maintain that plan is that we have individuals utilizing HSA
- Last year, plan cost was \$924 PEPM to just break even
  - We planned on essentially \$890.51
  - Essentially, plan ends up underfunded and we then run a deficit when revenue does not cover plan costs.
- 31.11% increase, an \$1158.68 PEPM
  - If we project on \$924 PEPM to fund plan, the district contribution remains fixed at \$650
  - That fixed amount does not account for the district picking up the deficit on the back end.
  - Right now, we plan on 75/25 cost share, but it comes out more like 81/19
  - Actual district contribution roughly \$725 PEPM
  - Because, without School Board intervention, district contribution is fixed. 30% increase would fall on the back of employee bargaining units--leading to a 60/40 cost share
    - Kris Hursh: Risk employees leaving plan? Loss of that revenue?
  - Mitigate increase by having 3 different contribution scales for certified, classified, and admin. This risk cross subsidization (one group paying for other etc)
- Clinic impact
  - IRS requires HSA plans pay a minimum fee to access clinic.
    - Any cost at the door will mean a loss of utilization
  - Create an incentive?
    - Surcharge members who do not get physical/AHA Screening June, July, August--maybe even May
      - This will encourage utilization during summer, right after clinic opens.
      - Create habits of members utilizing clinic.
- At next meeting, April 9:
  - Scott and USI will provide modeling for every possible option package.
    - 2 plans, 1 plan, tiered contributions, etc etc etc.
- High deductible plan:
  - Poorly designed,
  - In anticipation of possible high deductible plan loss, draft an email to those plan participants, recommending possible path of maxing HSA contributions between now and July 1.
    - Many members have 15 years of HSA contributions
  - Discussion of elimination of this plan began in earnest at this meeting

### **KRH Case Rates**

- KRH has offered pricing at 220% of Medicare across board, however this is still more than North Valley Hospital.
  - All this predicated on breaking with both CareHere and other Preferred Providers.

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- KRH is willing to interface with CareHere.

**Clinic Update and First Choice Health:**

- Nicolé Dryer: Further relationships developing.
- Ernie Clevener: Building is designed for growth and additional partners.
  - Maybe add student art to clinics?
- Questions about State of Montana clinic RFP:
  - Ernie: To ensure longevity of the project regardless of who occupies governor's mansion after November.
- Braumlee Boyce: CareHere flyer to go out Monday and Tuesday regarding construction.
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**Meeting adjourned at 5:53 PM. Next meeting is April 9th.**