Members: Dawn Ann Anderson, Jack Fallon, Kris Hursh, Paul Dougherty - Chair, Lynne Ogden-Rider, Hollis May, Cindy Jones, Chere' Hobbs, Rose Ann Clark, Kirsten Pevey, David Barr, Braumlee Boyce, Diane Morton Stout

Advisors: Micah Hill, Gwyn Andersen, Tracy Scott

Consultants: Scott Hass, Luann Tufts, Erik Davis [USI], Davilyn Roesler (CareHere)

Called to order at 4:05

CareHere Survey and AHA Participation with Tracy Scott

- 400 survey respondents. Very interesting data. "Data did not support my assumptions."
    - Assumed people have not done AHA because of lack of female provider, but majority have not done it because they only go to the doctor when they are sick.
        - We can build some education models around this.
    - 2nd Highest reason: They prefer their current provider
        - Again, can supplement current care with the CareHere Model and build educational models around this.
    - Some are confused if they have done the AHA or not.
    - Still, excellent positive feedback from clinic.
        - Some constructive feedback, too, that we will be sharing with CareHere.

Plan Financials with Scott Haas

- Where we are right now in the plan year (through January), we are beginning to see a turn around in the financials due to the hard decisions made last year.
- Key Issues: Revenue has increased since July 1. With the exception of July, we are seeing a surplus over plan expenses.
- Operating at 86.95% of expenses compared to revenue.
    - A year ago, we were at 116% of our budget
- Actual projections to date, we will see there is a caveat to some of this due to ongoing or emerging claims. Scott Haas urges cautious optimism.
- Gwyn Andersen: Was the surcharge to pay off previous deficits recorded as revenue? In which case that would not be accurate. This concerns me that these are used as revenue in the modeling since we won't do that next year. Surcharge is a one time deal.
    - Tracy Scott: we want to take this out. We don't want it to inflate the view going forward.

    - Cindy Jones: How was it reported in the past?
        - Gwyn Andersen: It was not because there was not a surcharge in the past.
    - Gwyn Andersen: want to make sure we aren't building next years premiums based on the premiums + surcharge.
    - Scott Haas: USI is looking at the surcharge as additional premium, going towards plan expenses. We will be able to adjust that projection going forward.
- Scott Haas: One of our highest claims month was December. We received two large stop-loss reimbursements in response to their large claims. We are consistent with regards to the loss ratio. To Gwyn's point, in July, we can see the revenue streams jumped up in part due to the surcharge. Will have to look at how that impacts our projections going forward.
- Large CLaims:
    - New January claim already at $500,000+. We will get more stop-loss from this claim.
    - Additional new claims. One of the things that we are watching are three new cancer claims since November-December of 2020. One is yet to hit our large claim radar, but we anticipate accumulating costs.
- Dental: Running at 100% loss ratio from last 12 months. Down from Prior 12.
    - We will be able to address this in the renewal.
- We Are looking at a downward trend in medical claims
    - In part due to substantial stop-loss reimbursements.
    - This tells us the mechanics of the plan are working well but knowing that there are large claims out there.
- RX Claims plateauing, hopefully.
- From a fiscal standpoint, we are largely stable.
    - To reiterate: Cautiously optimistic.
- Kris Hursh: With us having new, big claims, will stop-loss renewal rates go up?
    - Scott Haas: that's a pretty significant concern. Very good question.
    - Luann Tufts is working on that. There is an offset in premium costs, but the known claims that are out there. Premium may not go up, but the additional Laser would mean incurred costs for the plan.
    - Will not know the final answer until March or April.

Plan Design and Renewal:

- Jack Fallon: Almost a million dollars will be nonexistent. Should we discuss this before recalculating?
    - Tracy Scott: we might not even be making a profit right now.
    - Scott Haas: We will be on schedule to present more concrete numbers at the March 18th Meeting.
    - Adjusted report will be back out to the group in a couple days.

- Projection includes:
  - Base rate First Choice cost of 3%
  - CancerCare Program.
    - CancerCare, by moving just one case from infusions at KRH to Big Sky IV via case management, anticipates a cost reduction of $100,000 this year.
  - Moving coinsurance from 70%-80%?
    - An actuarial increase of 1.4% or $7.36 PEPM
    - No change to out of pocket amount
      - After $3000 deductible, it would be 80-20 until out of pocket.
    - ADD FROM SCOTT'S EMAIL
- USI recommends adding am arguing due to known emerging claims.
  - Cancer claims, known claims becoming Lasers, RFP for stop-loss could mean a possible 15% increase.
- Paul Dougherty: Is it possible to quickly ball park next year's projections by correcting the surcharge discrepancy?
  - Scott Haas: possibly.
- Actuarial value of the QHDHP to support an HSA plan is 11.8% less than the actuarial value of the current managed care plan designs.
  - Based on the discussions that have taken place would be to not have a premium or contribution differential.
  - Members would pay a surcharge of almost $100 to participate in HSA.
- Dental Renewal:
  - Calculating an increase of 11.36%
    - Assumption of moving from FCH to Amerita to begin to establish a network for dentists.
  - This is a conservative projection. However, a 10% dental claim reduction via network would lower the increase of dental program down to 1%, mostly due to increased administrative fee.
  - No proposed changes to plan design.
    - By educating members and families as to the impact of dental network and costs incurred based on in/out network dental providers.
    - NO incentive or disincentive in plan design structure, incentive rests on dental choice.
    - Kris Hursh: If I wanted to go to a non-plan dentist because I like my dentist, I just pay the difference?
      - Scott Haas: correct, but anything paid towards a balanced bill does not go towards deductibles.
  - Dental renewal is not impacted by medical plan surcharge.
  - Ameritas has asked for an endorsement letter to use to encourage local dentists to contract with the district. These are in progress.
  - Jack Fallon: I am not a plan member, but my dentist refused to participate in

any plan. Will the dental industry be willing to play ball? What is the motivation to be a part of this?
        - Scott Haas: entrepreneurial dentists would have access to a larger network of clients. If the two examples Jack brought up want to possibly create a direct contract with the district, then that could be something this district could pursue.
- FIVE MINUTE RECESS TO RE-CRUNCH NUMBERS
- After recalculating the numbers and removing the surcharge, Scott Haas presents new calculations.
- From a -6.9% adjustment we are looking at an increase of 5.8%
- From 86% of our budget to 93.4% (without Surcharge). Still a positive cash flow.
- Actual Projection: Adjusted revenue means projection is a 5.8% increase.
    - Last year was 28.2%
- Kris Hursh: Does 5.8% increase take into account upcoming large claims?
    - Scott Haas: Based on experience, FCH is getting us data to better understand what those claims could look like. Will be watching these claims. May need to add margin to this number still.
    - Scott Haas: We will be very deliberate in how we construct those margins.
- Tracy Scott: Are we prepared for this discussion now?
- Scott Haas: Yes, this was a quick fix.
- Tracy Scott: We are not running at a surplus?
    - Scott Haas: We are running at a surplus, 93% of budget instead of 86%.
- Scott Haas: I took out the surcharge and recalculated based on enrollment and premium.
- Gwyn Andersen: So the new number, plus administrative costs, would that mean a 20% increase?
    - Scott Haas: No, pure underwriting says 5.8%
    - Gwyn Andersen: Does that include the stop-loss increase?
    - Scott Haas: Yes. We have captured the whole kitchen sink here.
- Jack Fallon: We need to have a discussion as a group to discuss how much of a surplus we want to have after the 21-22 plan year.
    - Our experience is increasing every year. We could do a 10% increase and get hit with an increase in costs and have no reserves. Or we could have a surplus.
- Gwyn Andersen: The next step is to look at what premiums might look like.
- Jack Fallon: We might want to have a meeting between now and our March meeting. Next Thursday or the following (March 4th or March 11th)
- Gwyn Andersen: Do we meet March 11th and then meet April 1?
- Paul Dougherty: Should we adjourn now and resume this discussion March 11th?

Lynne Motions to adjourn, Jack Seconds. Adjourned 5:19. PM.