

May 27, 2021 Health Insurance Meeting

Members: Dawn Ann Anderson, Jack Fallon, Kris Hursh, Paul Dougherty - Chair, Lynne Ogden-Rider, Cindy Jones,, Rose Ann Clark, Kirsten Pevey, David Barr, Dallas Stuker, Braumlee Boyce, Diane Morton Stout, Micah Hill, Gwyn Andersen, Tracy Scott, Scott Hass, Luann Tufts, Erik Davis [USI],

Called to order at 4:02

Finances with Gwyn Andersen

- Initial response was not good, but Scott Haas reassured the district that stop loss reimbursements would make up for the deficit.
- Gwyn Andersen: we are hoping to break even if not end in the black. May and June historically have been bad, but no reason for despair.
- In 12 month period we have done well--currently \$200k +
- CareHere clinic is really all expenditures, the revenues are reductions in medical costs. It can be hard to put a number for this. We have a meeting scheduled with CareHere to debrief the first year and compare to initial projections. The differential between what we would have paid and what we paid will be "our revenue." CareHere will prepare its annual report from May to May.
- Please feel free to email Gwyn with any questions. Looks like we will end the year breaking even or better.
 - We clapped.

Plan Experience with Scott Haas

- As Gwyn said, we had some collective heart attacks after seeing April's numbers. It was the highest paid claims month in the history of the district.
- Crucial information: \$1 million stop-loss credits coming back. Stop-loss carrier will keep some of these claims open beyond the end of the plan year so we can most accurately close the books on those large claims.
- We do not want to dwell too much on April, but we do have reimbursements coming.
- Cindy Jones: How far back can stop loss claims go?
- Scott: If a claim comes in in July, but is related to the claims incurred during this plan year, it was important for us to get our carrier to agree to provide additional time to settle these claims. We are thinking we have 99% of our large claims settled by the end of the month.
- The issue, as always, lies in the large claims
 - We are auditing some of these large claims. We are hoping that we might be able to negotiate some credit from the providers. This does not impact us, since we have already paid \$115k, but it helps our re-insurer.
 - 6 new high claims in the month of April.
 - Muscular-skeletal disorders of particular concerns.
 - Orthopedic surgeries, broken bones, etc.
 - Maybe due to a year of being sedentary due to COvid and starting to get back into things.
 - An opportunity to get ahead of these costs and negotiate with NorthWest Specialty Health

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- We average 21-22 large claims each year. Only 6 or 7 a few months ago but they've come into play this spring.
- About 1.8% of our members (out of 1500 people on the plan) drive 80% of costs. This is high.
- Tracy Scott; What is normal?
 - Scott: 5% typically is responsible for 65% of costs.
- Dental:
 - Last month settled in, but still running slightly over now at 103%
 - Rolling 12 just about 102%
 - Dental is about cash flow and prediction, not necessarily risk.
- From a trend perspective, we have been relatively flat until you get April in.
 - We should see a relatively flat trend of increase.
- Another bogey: Another spike in Prescription drug claims.
 - Being driven by specialty drugs.
 - One costs \$40k a month and will go generic in a couple years.
- Stop loss renewal
Initially, Reliance Standard came in with a huge increase (40%). We were able to negotiate it down to a 9.5% increase, took 6 lasers down to 3 with one contingency.
- \$1.5million claim, patient is doing very well and treatment seems to hold. There is a contingent on that individual for a ~\$500k Laser.
- TracyScott; if we get too many lasers, would it make sense to go back to aggregate stop-loss?
 - Scott HAAs: We dropped that last year and we would not have hit it anyhow this year. But we might look at that down the road if we get more Laser's.
- We went out to the market and most declined to quote. One came in 120% over current.
- If the plan did not agree with those lasers we might have been looking at a 250% increase.
- Tracy Scott; What has caused the market to tighten?
 - Scott HAAs: Speciality drugs. 3-4 years ago, you could go out to bid and have a lot of responses.
- Kris Hursh moves to accept incumbent carried, Dawn Ann Anderson 2nds and motion carried unanimously.

MedImpact with Scott Haas:

- Currently, the drug costs \$6200 for example. Discountis \$1992, co-pay was 199. Coupons capture nothing and members pay full price.
- With MedImpact savings, we could have saved 90k last year. \$0.40/member/month in admin fees. Comes out to \$4800 annually.
- 16:1 ROI
- Tracy Scott; who makes up for the amount saved?
 - Scott HAAs; Drug manufacturers have made these savings available. MedImpact automates the utilization of these coupons.

- Previously, consumers got full benefit of the coupon but plan sponsorship got nothing.
- Tracy Scott: Why are there manufacturer coupons to begin with? Are they pushing certain drugs?
 - Scott Haas: Certainly not many scruples in this industry.
- Key thing: this program is a no brainer recommendation from USI.
- Kris Hursh: always mail order or would it happen at the retail pharmacy?
 - Scott HAas; Specialty drugs are mostly mail order.
- David Barr: We are paying them \$5000 to get back \$95,000.
 - Scott HAas; yes.
- Tracy Sxott: where will we see the results?
 - Scott HAas: we will build this into monthly reporting.
- Gwyn Andersen: 1 year contract?
 - Scott HAas: yes, we can start and stop as we wish.
- David Barr: how do we pay for that now that we have set our rates?
 - Scott HAas: In the big scheme of things, it is not a major fee. This will add margin to our 5% increase.
- Gwyn Andersen: Monthly invoice?
 - Yes.
- Cindy Jones; this sounds like a great idea.
- Scott HAss; Wisdom is we keep an eye on it and if it doesn't prove out we can pull the plug on it.
- Kris Hursh: Any large claim people who would see impact from this?
 - Scott Haas: One of them, no. But the vast majority of the claims on the speciality side.
- Tracy Scott: Would this apply to someone in the hospital?
 - Scott HAss: No, but we put in that program with Big Sky IV and they will take care of those.
- David Barr motions to accept MedImpact Assist. 2nded by Kris Hurshg. Motion carries unanimous

Logan Health Update

- Scott hAas; great meeting at KRH yesterday KRH will help with creating a better process around the clinic. By Sept 1 we will have case rates for Mammography, colonoscopies, maternity.
- Lynne Rider: Will insurance pay for past colon testing?
 - Braumlee Boyce: beginning July 1, 1st cologuard or colonoscopy will be covered.

Motion to adjourn to at 502 by Kris Hursh 2nd by David Barr.