



MINUTES OF THE WASHOE COUNTY SCHOOL DISTRICT GROUP INSURANCE COMMITTEE

May 24, 2018

1. Opening Items

1.01 Call to Order

The meeting of the Washoe County School District Group Insurance Committee was called to order at 2:00 p.m. at the WCSD Central Administration Building Board Room, 425 East 9th Street, Reno, Nevada 89512.

1.02 Roll Call

Chair Don McHenry and Members Kathy Howard, Robert Munson, Dawn Miller, Sheryl Bennett, Jordan Howell, Toni Maresjo, and Gail Carson were present at roll call. Members Eric Diamond, Danny Kitts, and Diane Lyon were absent. WCSD representative Jackie James, Risk Manager, and staff were also present.

Member Danny Kitts arrived at 2:15 p.m.

1.03 Public Comment

Chris King, Vice President of Saint Mary's Medical Group, made comment related to the process for companies interested in the District's insurance contract and inquired as to the process.

1.04 Action to Adopt the Agenda

It was moved by Dawn Miller, second by Kathy Howard, that the Insurance Committee adopt the agenda as presented (Yea: Don McHenry, Kathy Howard, Robert Munson, Dawn Miller, Sheryl Bennett, Jordan Howell, Toni Maresjo, and Gail Carson). Final Resolution: Motion Carried 8-0.

2. Items For Discussion, Presentation and/or Action

2.01 Presentation and Discussion of Washoe County School District Group Insurance Internal Service Fund as of April 2018

Gail Carson, Washoe County School District Controller, reviewed the health insurance internal service fund statement as of April 20, 2018 and compared against the statement of April 30, 2017. According to the comparative statement of net assets as of April 2018, the total assets were \$25,356,541 as compared to \$21,782,964 at the same

time last year, an increase of \$3,573,577 (16%). Total liabilities were \$9,465,435 as compared to \$8,423,584 last year, an increase of \$1,041,851 (12%). The total net position as of April 2018 was \$16,029,070 as compared to \$13,358,877, an increase of \$2,670,193 (20%).

Ms. Carson reviewed the operating revenues and expenses related to the St. Mary's PHCN Plan, the Renown HHP Plan, and additional areas including dental, vision, and prescriptions. The total operating revenues are \$66,756,396 compared to \$63,420,811 in April 2017. The total operating expenses as of April 2018 were \$69,067,648 compared to \$63,720,130 from 2017.

The Wellness Special Revenue Fund was presented which showed an actual net position of \$758,252, a change from \$840,516 as of April 2017.

2.02 Presentation and Discussion of Washoe County School District Group Insurance Claims Experience Report as of April 2018

Heather Reimer, Hometown Health, reviewed the claims experience report through April 2018. It is the goal of Hometown Health to process claims within 30 days at a rate of 98% or better.

Ms. Reimer reviewed the current percentages for claims paid within 15 and 30 days for the EOP Dental, EPO Medical, HSA Dental, HSA Medical, PPO Dental, and PPO Medical. The data reviewed included the total claims received and paid in the month of January, February, March, and April 2018. Overall, the percentage paid within 30 days is at 97.28%.

Ms. Reimer reviewed data related to the claims that are open beyond the 30-day goal.

Member Danny Kitts arrived at 2:15 p.m.

2.03 Presentation and Discussion of Washoe County School District Group Insurance Claims Activity and Turnaround Reports for April 2018

Tom Marshall, L/P Insurance representative, reviewed the insurance claims activity and turnaround report as of April 2018. The committee reviewed the Executive Summary, which provides data to include active enrollment of employees and dependents; claims from medical, prescription, dental, and vision; and specific utilization from medical and pharmacy categories such as emergency, lab x-ray, pharmacy, urgent care, etc.

Mr. Marshall reminded the members that during the last year, there was a claim of over \$1.3 million dollars. That claim skews the data for the HSA plan, which shows a change of nearly 44% from last year to this year in composite claims paid.

2.04 Presentation and Discussion of Washoe County School District's Group Insurance Wellness Program Report as of April 2018

Christina Abina, the District's Wellness Coordinator, presented the Wellness Report. Topics discussed were a review of the Healthy Tracks Point Structure; participation in the Financial Fitness Challenge and the dates the challenge spanned; the Spring Step Challenge; and the dates and registration data for the Healthy Lifestyles seminars and webinars hosted by Guidance Resources.

2.05 Approval of Minutes from the April 19, 2018 Regular Meeting of the Insurance Committee

Member Robert Munson pointed out two errors in the minutes: The date of the minutes should be April 19, not April 22; and that the date of the next meeting that should have been listed as May 24.

It was moved by Kathy Howard, second by Toni Maresjo, that the Insurance Committee approve the Minutes from the April, 2018 Regular Meeting of the Insurance Committee, with the two changes (Yea: Don McHenry, Kathy Howard, Danny Kitts, Robert Munson, Dawn Miller, Sheryl Bennett, Jordan Howell, Toni Maresjo, and Gail Carson). Final Resolution: Motion Carried 9-0.

2.06 Presentation and Discussion of Washoe County School District's Preliminary Health Insurance Rates and possible benefit changes for 2019 presented by LP Insurance

Lloyd Barnes and Tom Marshall of LP Insurance presented the committee with preliminary health insurance rates and possible benefit changes for 2019.

Mr. Barnes described how the District's self-funded insurance program works. As a self-funded plan, the District's plan is partially funded and has hired several vendors to provide the various services included in the plan. This is done for cost savings efficiency. Those services include a hospital contract, a third party administrator, medical management, pharmaceutical benefits, and stop-loss insurance (insurance to protect the plan against very large claims).

The projections for preliminary insurance rates are based on the costs in the current year, compared to the last few years, and then extending those costs forwarded. Estimates take into account the inflationary trend number, etc. Lastly, Mr. Barnes noted that projections are not based solely on a comparison to how claims ran in the

past but to funding – a combination of money allocated by the District as well as from employees and retirees.

A cost comparison of hospital providers for 2015, 2016, 2017, and the current year was presented. In 2015, costs at Renown was \$11 million compared to nearly \$7 million at St. Mary's. There was an additional \$7 million to out of area hospitals. In 2017, \$18 million was paid to Renown and \$11 million to out of area hospitals. Out of area hospitals included Packard Children's Hospital, UC Davis Medical Center, Tahoe Forest Hospital and UCSF Medical Center.

Mr. Barnes presented potential benefit changes to the committee for illustration purposes. Areas discussed included Out-of-Pocket Max, Deductible, Primary Physician, Specialist/UC Office Visits, Emergency Room, and Carryover Deductible. The current plan, potential changes, and the estimated changes were discussed.

2.07 Presentation and Discussion of Washoe County School District's Utilization of Doctors On Demand presented by WCSD Risk Manager

WCSD Risk Manager, Jackie James, gave the committee an update on the utilization of the Doctors on Demand program. Through March 2018, 336 employee/retiree members have created an account and over 200 have actually used the service.

2.08 Presentation and Discussion of Washoe County School District's Implementation and update on Grand Rounds Second Opinion Service presented by WCSD Risk Manager

WCSD Risk Manager, Jackie James, gave the committee an update on the implementation of the Grand Rounds Second Opinion Service. Since its inception on May 1, 2018, 812 members have signed up for the program. Of those, 33 cases have been started and seven of those have been completed.

There was discussion regarding the initial contract with Grand Rounds which allows for 50 case referrals annually. Ms. James clarified that any cases above the initial 50 would be charged to the District at a per case fee. The District would absorb that cost, not the employee/retiree member.

3. Closing Items

3.01 Announcement of Next Meeting

The next meeting of the Washoe County School District Insurance Committee will take place at 2:00 PM, on Wednesday, June 13, 2018 at the WCSD Central Administration Building Board Room, 425 East 9th Street, Reno, Nevada 89512.

3.02 Public Comment

There was no public comment at this time.

3.03 Adjourn Meeting

There being no more business, the meeting was adjourned at 2:55 p.m.