



## **MINUTES OF THE WASHOE COUNTY SCHOOL DISTRICT GROUP INSURANCE COMMITTEE**

June 13, 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 9<sup>th</sup> 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, Eric Diamond, Danny Kitts, Diane Lyon, and Gail Carson were present at roll call. WCSD representative Jackie James, Risk Manager, and staff were also present.

#### **1.03 Public Comment**

Chris King, Vice President of Saint Mary's Medical Group, made comment related to 2015 projections for health insurance costs, and a 2018 proposal by St. Mary's and a potential Request for Proposal (RFP).

Chris Syverson, CEO of Nevada Business Group on Health and Nevada Health Partners, provided the committee with background information related to the hospital contract process from the perspective of Nevada Health Partners.

#### **1.04 Action to Adopt the Agenda**

**It was moved by Dawn Miller, second by Danny Kitts, that the Insurance Committee adopt the agenda as presented** (Yea: Don McHenry, Kathy Howard, Robert Munson, Dawn Miller, Sheryl Bennett, Jordan Howell, Toni Maresjo, Eric Diamond, Danny Kitts, Diane Lyon, and Gail Carson). Final Resolution: Motion Carried 11-0.

### **2. Items For Discussion, Presentation and/or Action**

#### **2.01 Approval of Minutes from the May 24, 2018 Regular Meeting of the Insurance Committee**

There were no comments or suggested changes to the minutes.

**It was moved by Kathy Howard, second by Robert Munson, that the Insurance Committee approve the Minutes from the May 24, 2018 Regular Meeting of the Insurance Committee** (Yea: Don McHenry, Kathy Howard, Robert Munson, Dawn Miller, Sheryl Bennett, Jordan Howell, Toni Maresjo, Eric Diamond, Danny Kitts, Diane Lyon, and Gail Carson). Final Resolution: Motion Carried 11-0.

**2.02 Presentation, Discussion, and Possible Action to Recommend to the Board of Trustees Renewal of Washoe County School District's Healthy Tracks Contract with Hometown Health, which would be effective August 1, 2018 for a two-year period in the amount of approximately \$135,000 annually - presented by Hometown Health**

Heather Reimer, Hometown Health, presented the committee with a renewal proposal on the Healthy Tracks Contract with Hometown Health, which would be effective August 1, 2018 for a two-year period in the amount of approximately \$135,000 annually. Ms. Reimer explained that Hometown Health has recently changed the vendor for the service, which is a web-based wellness portal that provides District employees/retirees and their spouses with online wellness tools such as an individual health assessment, wellness challenges, and exercise logs. The new vendor's online portal is more interactive and fully mobile for the user. The service is also more customizable than the previous service allowing the District to request specific options.

There was discussion regarding the proposed rate increase that would become effective in January. Ms. Reimer and Jackie James, WCSD Risk Manager, explained that the current contract is at a cost of \$1.05 per user and that employees and their spouses are charged that fee. The cost is assessed per employee on a monthly basis, meaning that the cost can vary month to month depending on the number of active employees with the District.

The new contract would increase the per user rate to \$1.50 but spouses will no longer be charged, although they will still have access to the service. As a result, the cost to the District is expected to decrease to approximately \$135,000 annually, down from approximately \$160,000 – 180,000 in previous years, a savings of approximately \$25,000 – \$45,000.

There was some discussion about alternatives to renewing the plan. It was explained that if the committee decides not to renew with Hometown Health providing the wellness plan, there would be no other option except for the new vendor. Hometown Health will not be renewing with the previous vendor. Ms. James clarified that if the committee makes no decision, the Healthy Tracks contract will stay in effect through December 2018.

Ms. Lyon inquired about the need for Healthy Tracks. Laura Thurston, WCSD Risk Coordinator, responded that although the District isn't required to have the Healthy

Tracks program, the health and wellness of all employees is an important initiative of which Healthy Tracks is part.

Ms. Miller asked if the vote could be delayed until the committee could see the new Healthy Tracks. Ms. James responded that a delay would make it difficult due to the dates of future meetings of the Insurance Committee, how they correspond to meetings of the Board of Trustees, and when employees would receive the information prior to the change occurring.

Ms. Carson, who also serves as the District's Controller in the Business Office, explained that the District should enjoy the cost savings with virtually no chance of the cost ever reaching the previous cost of \$160,000 per year versus the new estimate of \$135,000. This was based on the number of employees typically on staff on a monthly basis, the fact that spouses will no longer be charged, and the new cost of the service per person.

Members Miller, Maresjo, and Carson stated their concerns about not being given an opportunity to see the service prior to voting on it. Ms. Carson added that although the cost of the membership is going up, the number of people being paid for will decrease giving the District a cost benefit.

**It was moved by Kathy Howard, second by Danny Kitts, that the Insurance Committee Recommend the Board of Trustees Renew Washoe County School District's Healthy Tracks Contract with Hometown Health, which would be effective August 1, 2018 for a two-year period in the amount of approximately \$135,000 annually** (Yea: Don McHenry, Kathy Howard, Robert Munson, Dawn Miller, Sheryl Bennett, Jordan Howell, Danny Kitts, and Gail Carson. Nay: Eric Diamond, Toni Maresjo, and Diane Lyon). Final Resolution: Motion Carried 8-3.

### **2.03 Presentation and Discussion of Washoe County School District Group Insurance Claims Experience Report as of May 2018**

Tom Marshall, L/P Insurance representative, reviewed the insurance claims experience report as of May 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.

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

Public Comment:

- Natha Anderson, President of the Washoe Education Association (“WEA”), spoke on behalf of the members of WEA and shared their concerns regarding potential increases to insurance rates.
- Josette Gunter expressed her concerns related to potential increases to insurance rates and the impact to employees.
- Melissa Sewell, President of the Washoe Retired Education Association, spoke on behalf of retirees’ concerns related to potential increases to insurance rates and the impact to employees.
- Alan Smith, Chief Financial Officer for St. Mary’s Regional Medical Center and Health Network, commented that St. Mary’s has not increased rates over the past two years.
- David Bradfield spoke in favor of St. Mary’s Regional Medical Center and Health Network

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

Mr. Barnes provided the committee with calculations of the projected rate increase at 14.8%. 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. Mr. Barnes noted that projections are not based solely on a comparison to how claims ran in the past but also to funding – a combination of money allocated by the District as well as from employees and retirees.

The potential benefit changes were presented to the committee to include potential changes to out of pocket expenses, deductibles, primary physician visit co-pays, specialist visit co-pays, emergency room visits, and prescription co-pays.

Ms. James explained that the potential 14.8% rate increase could be divided into a combination of rate and benefit changes. Chair McHenry inquired if the District was budgeted to absorb the first 10% of the increase. Ms. Carson confirmed that to be the case.

Ms. Miller asked for an explanation as to where the 14.8% projected increase comes from. Mr. Barnes explained that the projection is a look at the most recent claims experience to include hospital, physicians, pharmacy, etc. They take those costs and inflate them based on inflation factors and projected increases in services in Northern Nevada. Those costs are then compared to the available funding in the District.

### **3. Closing Items**

### **3.01 Announcement of Next Meeting**

The next meeting of the Washoe County School District Insurance Committee will take place at 9:00 a.m. on Wednesday, July 18, 2018, at the WCSD Central Administration Building Board Room, 425 East 9<sup>th</sup> 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 3:51 p.m.