



WASHOE COUNTY SCHOOL DISTRICT

GROUP INSURANCE COMMITTEE MEETING MINUTES

August 21, 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 3:00 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, Toni Maresjo, Diane Lyon, Jordan Howell, Eric Diamond, Danny Kitts, and Gail Carson were present at roll call. WCSD representative Emily Ellison, WCSD Chief Human Resources Officer, and staff were also present.

Note: Mr. Diamond left the meeting at 4:30 p.m.; Ms. Kitts left the meeting at 4:40 p.m.

1.03 Public Comment

There was no public comment at this time.

1.04 Action to Adopt the Agenda

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

2. Items For Discussion, Presentation and/or Action

2.01 Discussion and Possible Action to reconsider the Group Insurance Committee's action on July 19, 2018, Item 2.04, to recommend health insurance rate increase of 10% to the Board of Trustees and provide additional recommendations to the Board of Trustees that account for the total estimated 12.96% increase in plan expenses as requested by the Board of Trustees at their August 14, 2018 Regular Meeting. Possible benefit changes being discussed may include, but are not limited to; out-of-pocket Max, Deductibles, Primary Care Physician Visits Co-Pay, Specialist Office Visit Co-Pay, Emergency Room Co-Pay,

Urgent Care Co-Pay, Carryover Deductible, placing new hires on the high deductible health care plan for the first two years of employment, Generic and Brand Retail Prescription Co-pay, Generic and Brand Mail Order Prescription Co-Pay and Co-Pays for 90 Day Retail Prescriptions - presented by LP Insurance

Public Comment

- Melissa Boesen, President of the Washoe Education Support Professionals, made comment related to the negative financial impact an increase in rates has on staff who are generally the lowest paid in the Washoe County School District.
- Tom Stauss, Executive Director of the Washoe Education Association, spoke in support of the committee renewing the action taken at the previous meeting and outlined concerns of the members.
- Natha Anderson, President of the Washoe Education Association, spoke in support of the process used by the committee to consider the potential changes; and collaborative efforts with the District to educate staff on the benefits contained within the insurance plan.

Emily Ellison, WCSD Chief Human Resources Officer, addressed the committee and thanked them for their hard work through the process of reviewing potential rate increases, a sentiment also expressed by the Board of Trustees. Staff has worked with LP Insurance to create additional options for changes to benefits offered employees/retirees.

Lloyd Barnes and Tom Marshall of LP Insurance presented information to the Committee related to the proposed rate and Plan Design Changes in an effort to ensure all committee members understand the proposals, giving them a chance to ask questions, make suggestions, etc.

The first item discussed was related to the out-of-pocket maximum. Mr. Barnes explained that there are only a few options that will result in substantial savings to the District. One of those is out-of-pocket maximums. The current plan has a \$3,500 out-of-pocket maximum for an individual or \$7,000 for a family within the network. With out of pocket maximum limits the amount the person/family would have to pay before the plan would pay 100% of the costs.

Mr. Munson inquired if out-of-pocket maximum includes co-pays and deductibles. Mr. Barnes explained that it does.

Dawn Miller inquired about coverage of spouses who both work for the District. Ms. Ellison responded she did not have the answer but would do some research.

Mr. Barnes continued his presentation by stating that the recommendation with respect to out of pocket expenses was to raise individual out of pocket to \$5,000 and family out of pocket to \$10,000 equating to approximately 1.63% in savings in the Plan Design.

Mr. Barnes presented information related to the deductible. Currently, the deductible for individuals is \$500 in network and \$1,000 for a family. The plan design change would increase the amount for \$1,000 and \$2,000. Regarding co-pays, the proposed change is an increase from \$35 per office visit to \$40. A similar changes is proposed for specialist office visits with an increase from \$50 to \$55.

Mr. Barnes informed the committee that emergency room visits continue to rise across the country, with costs associated with those visits also increasing. The proposed change would be a change of the benefit across the plan, with a \$200 co-pay for any visit to the emergency room, whether or not it is an emergency.

The carry-over deductible has been used to protect the insured individual in the last quarter of the year, giving them credit for the deductible into the new year. This means that if the deductible is met in October-December, it would roll into the new year and the member wouldn't have to meet the deductive again. This results in giving the individual 15 months to meet the deductible. The proposed change would remove the feature meaning that the individual would start over each January in needing to meet the deductible for the calendar year.

Mr. Munson inquired about past discussion to remove the EPO from the plan and asked if having just one plan would be cost beneficial. Mr. Barnes responded that the projections show that eliminating the EPO plan and just having the PPO plan could result in higher costs.

Ms. Maresjo asked about separating specialists from urgent care visits, particularly in light of the use of Doctors on Demand to replace urgent care visits. Mr. Marshall responded that the requested information is being processed and will be distributed to the committee in the future.

There was discussion about prescription medications related to the standard co-pay benefit category. With prescription drugs, the traditional model is to adjust co-pays to impact cost and benefits. Mr. Barnes presented proposals where co-pays would be raised.

There was discussion among the presenters and the committee regarding potential options related to the estimated increase, the HHA and HSA plans, and the EPO and PPA plans, specialist visits, life insurance coverage, wellness program incentives, and other potential plan options that could be considered in the future.

It was moved by Dawn Miller, seconded by Toni Maresjo, that the Insurance Committee send the original recommendation of a 10% health insurance rate increase to the Board of Trustees (Yea: Don McHenry, Kathy Howard, Robert Munson, Dawn Miller, Sheryl Bennett, Toni Maresjo, Diane Lyon, and Gail Carson. Not Present at Vote: Eric Diamond and Danny Kitts.) Final Resolution: Motion Carried 8-0.

2.02 Discussion and Possible Action to declare that the Group Insurance Committee is committed to working with District Staff to study various methods that will help ensure the long term solvency of the Health Insurance Fund and make recommendations to the Board of Trustees consistent with the Group Insurance Committee findings in the best interest of the Health Insurance Fund

Chair McHenry explained to the committee the purpose of the item was for the Group Insurance Committee to make a declaration to work with District staff to study various methods that will help ensure the long term solvency of the Health Insurance Fund and not a discussion of potential options.

Ms. Miller stated her belief that the committee and staff work well together, there is open dialogue, requests are responded to in a timely manner, etc.

Mr. Munson suggested that the item be recurring on future agendas to ensure the conversation be ongoing.

It was moved by Dawn Miller, seconded by Gail Carson, that the Insurance Committee declare that the Group Insurance Committee is committed to working with District Staff to study various methods that will help ensure the long term solvency of the Health Insurance Fund and make recommendations to the Board of Trustees consistent with the Group Insurance Committee findings in the best interest of the Health Insurance Fund (Yea: Don McHenry, Kathy Howard, Robert Munson, Dawn Miller, Sheryl Bennett, Toni Maresjo, Diane Lyon, and Gail Carson. Not Present at Vote: Eric Diamond and Danny Kitts.) Final Resolution: Motion Carried 8-0.

3. Closing Items

3.01 Announcement of Next Meeting

The next meeting of the Washoe County School District Insurance Committee is scheduled for 2:00 p.m. on Thursday, August 30, 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 5:37 p.m.