



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

June 27, 2019

### **1. OPENING ITEMS**

#### **1.01 Call to Order**

The meeting of the Washoe County School District Group Insurance Committee was called to order at 2:04 p.m. at the WCSD Central Administration Building Board Room, 425 East 9<sup>th</sup> Street, Reno, Nevada 89512.

#### **1.02 Roll Call**

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

#### **1.03 Public Comment**

There was no public comment at this time.

### **2. ITEMS FOR DISCUSSION, PRESENTATION AND/OR ACTION**

#### **2.01 Action to Adopt the Agenda**

**It was moved by Diane Lyon, seconded by Jeff Bozzo, that the Insurance Committee adopt the agenda as presented** (Yea: Kathy Howard, Sheryl Bennett, Diane Lyon, Tony McMillen, Eric Diamond and Jeff Bozzo). Final Resolution: Motion Carried 6-0.

#### **2.02 Presentation and Discussion of Washoe County School District Group Insurance Internal Service Fund as of May 2019 (For Discussion Only)**

Jeff Bozzo, Budget Project Manager, reviewed the health insurance internal service fund statement as of May 2019, and compared against the statement of May 2018. According to the comparative statement of net assets as of May 2019, the total assets were \$69,778,444 as compared to \$73,789,567 at the same time last year. Total liabilities were \$9,378,153 as compared to \$9,444,289 last year. The total net position as of May 2019 was \$14,859,329 as compared to \$17,028,921, an increase. The

operating expenses as of May 2019 was \$72,552,893, as compared to \$75,237,636. The Wellness fund as of May 2019 573,617 compared to 773,508 to last year.

### **2.03 Presentation and Discussion of Washoe County School District Group Insurance Claims Experience Report as of May 2019 (For Discussion Only)**

Tom Marshall, LP Insurance representative, discussed the average monthly comparison 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. Also discussed was the number of admits for the current year, the average cost per inpatient/outpatient admits and average days per inpatient/outpatient stays. There have been ten large claims as of May 2019.

Mr. Marshall pointed out there was an error on the report for the Pharmacy Utilization, it is showing a total of \$516,053, the correct amount is \$5,531,974. Mr. Marshall indicated the report will be corrected.

### **2.04 Presentation and Discussion of Washoe County School District Group Insurance Claims Activity and Turnaround Reports for May 2019 (For Discussion Only)**

Heather Reimer, Hometown Health representative, reviewed the claims experience report through May 2019. It is the goal of Hometown Health to process claims within 30 days. For the month of May claims were processed within 30 days at a rate of 99.25%.

Ms. Reimer reviewed the current percentages for claims paid within 30 days for the EOP Dental, EPO Medical, HSA Dental, HSA Medical, PPO Dental, and PPO Medical. She reviewed data related to the claims that are open beyond the 30-day goal.

Toni Maresjo arrived at 2:12pm

### **2.05 PRESENTATION AND DISCUSSION OF WASHOE COUNTY SCHOOL DISTRICT'S GROUP INSURANCE WELLNESS PROGRAM REPORT TO INCLUDE CURRENT EVENTS AND PROGRAMS SUCH AS "STEP INTO SPRING AND SUMMER CHALLENGE" AND LUNCH & LEARN WORKSHOPS AS OF MAY 2019 (For Discussion Only)**

Jackie James, Risk Manager, discussed the Step Challenge for this Spring/Summer Challenge which runs from May 6, 2019 through July 28, 2019, 771 participants have enrolled in the challenge. Ms. James discussed about the lunch and learn workshops available to members during the summer break.

**2.06 PRESENTATION AND DISCUSSION OF WASHOE COUNTY SCHOOL DISTRICT'S RFP (REQUEST FOR PROPOSAL) PROCESS FOR HEALTH INSURANCE AND THE RECOMMENDATION TAKEN TO THE BOARD OF TRUSTEES ON JUNE 4, 2019 WHICH RESULTED IN APPROVAL TO AWARD THE CONTRACT TO ANTHEM BLUE CROSS/BLUE SHIELD EFFECTIVE JANUARY 1, 2020. (FOR DISCUSSION ONLY)**

Jackie James, Risk Manager, discussed that on December 30, 2019, the Insurance Committee was given a general outline of how the RFP (Request For Proposal) process worked. Ms. James explained the RFP process is a confidential process which was the reason why it could not be brought back to the Insurance Committee until it was presented to the Board of Trustees which was on June 4, 2019, as the Insurance Committee is subject to Open Meeting laws. The reason for conducting the RFP was to look at Self-Insured models and compare to Fully-Insured models and to see which a better model for the District. Some of the goals of the RFP was increased network access to members, medical and pharmacy utilization, plan design and minimal disruption to our members. Ms. James explained the criteria used during the evaluation and how it was weighted, 5% demonstrated experience, 5% of responses of the RFP, 15% for network, 10% for claims administration and customer service, 30% for overall benefit coverage, 30% for pricing, and cost stability, and 5% other related factors. At the end of the process it was recommended to award the RFP to Anthem Blue Cross Blue Shield.

There was discussion around when the Anthem contract would begin and Ms. James informed the committee that it would start January 1, 2020. The Committee was informed that the only change to members would be who processes claims (Anthem) and the network of providers. The Committee did ask for clarification if the copayments were going up and the Committee was advised that the plan document would remain as it is currently. If there were any changes to co-payments, deductibles or Out Of Pocket Maximums, those changes would have to be approved by the Insurance Committee

**2.07 PRESENTATION AND DISCUSSION OF WASHOE COUNTY SCHOOL DISTRICT'S PRELIMINARY HEALTH INSURANCE RATES FOR 2020 PRESENTED BY LP INSURANCE. (FOR DISCUSSION ONLY)**

Tom Marshall, LP Insurance representative, discussed the current rate projection for 202 is an increase of 6.63%. An updated rate projection will be presented at the July Insurance Committee meeting. The Committee was reminded that the District has budgeted 5% for rate increases.

**2.08 PRESENTATION, DISCUSSION AND POSSIBLE ACTION TO MAKE A RECOMMENDATION TO THE ACTING SUPERINTENDENT TO EXTEND THE SERVICES OF GRAND ROUNDS FOR A THREE YEAR EXTENSION THROUGH JULY 31, 2022, WITH THE CURRENT AGREEMENT ENDING JULY 31, 2019, AT A RATE OF \$190,000 FOR 50 CASES OR \$3,800 PER CASE OR \$2.42 PEPM OR \$217,000 FOR FIRST YEAR AND THEN AN ADJUSTED RATE BASED ON UTILIZATION FOR YEARS TWO AND THREE. GRAND ROUNDS PROVIDES EMPLOYEES AND THEIR FAMILIES THE INFORMATION, TECHNOLOGY, AND SUPPORT NEEDED TO MAKE DECISIONS RELATED TO WHETHER AND WHERE TO RECEIVE CARE. THIS MODEL PROVIDES MEMBERS AN OPTION FOR SECOND OPINIONS AND/OR OFFICE VISITS WITH NATIONAL EXPERTS IN THE FIELDS RELATING TO THEIR SPECIFIC NEEDS (FOR POSSIBLE ACTION)**

Camille Lyon, Senior Account Manager Grand Rounds, presented the Grand Rounds renewal and explained how it that they have 3,000 providers on their panel that come from premier research institutions, such as Massachusetts General Hospital, and Dana Farber Cancer Institute. Ms. Lyon discussed the utilization, currently there are 1,378 registered Washoe County School District members, 52 completed expert opinions, 92% member satisfaction and 3.33% change in understanding of their condition after expert opinion. Ms. Lyon stated the total net savings of \$191,000 from opinions. The current contract is through July 31, 2019. There were two options presented: Option one is a rate of \$190,000 for 50 cases or \$3,800 per case; Option two is \$2.42 PEPM or \$217,000 for the first year then adjust the rate based on utilization for years two and three.

**It was moved by Tony McMillen, and second by Sheryl Bennett that the Insurance Committee recommends the acting Superintendent extends the services of Grand Rounds for a Three year extension through July 31, 2022, with the current agreement ending July 31, 2019, at a rate of \$190,000 for 50 cases or \$3,800 per case for all three years.** (Yea: Kathy Howard, Sheryl Bennett, Diane Lyon, Tony McMillen, Toni Maresjo and Jeff Bozzo, Nay: Eric Diamond). Final Resolution: Motion Carried 6-1.

**2.09 APPROVAL OF THE MINUTES FROM THE MAY 23, 2019 MEETING OF THE GROUP INSURANCE COMMITTEE (For Possible Action)**

**It was moved by Diane Lyon, seconded by Toni Maresjo, that the Insurance Committee approve the minutes of the Insurance Committee Meeting of May 23, 2019** (Yea: Kathy Howard, Sheryl Bennett, Diane Lyon, Tony McMillen, Eric Diamond, Toni Maresjo and Jeff Bozzo). Final Resolution: Motion Carried 7-0.

### **3.0 Closing Items**

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

The next meeting of the Washoe County School District Insurance Committee will take place at 3:04 p.m. on Thursday, July 25, 2019, 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 2:31 p.m.