

MINUTES OF THE HEALTH BENEFITS COMMITTEE MEETING

HELENA SCHOOL DISTRICT NO. 1, LEWIS AND CLARK COUNTY

August 29, 2024

3:45 PM

The regular meeting of the Health Benefits Committee meeting was called to order in the Lincoln Center Board Room and online via TEAMS at 3:48 PM.

ATTENDANCE - *Present* unless otherwise noted.

John Burke – Chair	Janelle Mickelson	Emily Rodway
Keri Mizell – Vice Chair	Shannon McNamee	Mark McGuire
Bridget Butler	Elizabeth Grev	Beth Heiser
Marti Kuntz	Kay Satre	Ross Gustafson
Julie McGuire	Rich Franco	

INTRODUCTIONS – (Rich) Welcome to the Health Benefits Committee Meeting 10/05/23. This is the time for comment on public matters that are not on the agenda. Public matters do not include any pending legal matters, private personnel issues or private student issues. Please do not attempt to address such issues at this time or you will be ruled out of order. The Committee cannot enter into a discussion during General Public comment.

Alright, I don't see any public in the meeting so we will go ahead and begin going through our Agenda.

GUESTS – Robb Latrielle – Allegiance

ACTION ITEMS: -

Stop Loss Option 1:

1st – Shannon McNamee


2nd – John Burke

All in Favor

SUBCOMMITTEE REPORTS

 Finance/Benefit Sub-committee: – None

 Wellness – None

 Appeals – None

 Communications – None

ALLEGIANCE - SL:

- Robb – Stop Loss: Rich, do you want me to go through all the pages or use the summary page? Rich – I know there are other pages, but the summary page is the overview of the main quotes we will be looking at that are more competitive right? Robb – Right. I'll work off the Summary page, but just note it's limited to 3 carriers. We did go out to a lot of carriers, we got quotes from about 10 or 11 carriers, but these are the most competitive. I'm working left to right on the Summary page, UNUM on the 1st column that is our current Stop Loss coverage we have. It's for anything over \$175k, so the District covers the claim up to \$175k on the plan and if it goes over that then the carrier will reimburse back to the district. I will continue to work from left to right. The current renewal premium on column 2 would

be an increase of 48% which means it would increase \$781k compared to what you are paying now. If you look at the Agg premium, currently it's over \$31k this is to cover your Total Fund to Agg in the yellow, if you go over that then you would get reimbursed on that as well. Ross – real quick, what's the 36/12 in the top? Robb – good question, it means incurred in 36 months and paid in 12. Shannon – so the total amount in premiums we paid is \$1,625,921.64 right? Robb – yes, it's based on membership so it's pretty close. Rich – yeah since we have people resign and hired throughout the year it could fluctuate but it's not going to be big enough to reflect anything worth while. Robb – Right. So, the fund to expected is what the carrier expects your claims to be for the year. The max would be the next column down which is Fund to Agg. So, in looking at renewals we are looking at premium cost and max liability for the District as well. So, every year we take this policy out to bid and send to about 20 carriers and take the top 10 and then reduce to the top 2-3 most competitive on the Summary page. One thing I want to clarify for definitions is Laser. Laser means that the carrier gives a renewal option and identifies 1 member on the plan that with their current status and treatment plan they want that individual to be covered up to the amount they request before the District gets any reimbursement back for that member. So, they give 2 options, 1 with a laser and 1 without. The increase without the laser on Renewal A is that \$2.4 million. Renewal B with the \$625k laser is \$2.1 million which is about 29% but ends up being 57% if you factor in the laser cost to the District. These costs have increased due to the high cost claimants you have and unfortunately are continuing. In short, the current incumbent's 2 options won't be a recommendation from Allegiance for renewal for stop loss. So, we come to the main 2 options. Carrier TMHCC and VOYA are the 2 most competitive. If you look at OPTION 1 for both, they both have a laser on the same individual at \$475k. If you look at VOYA, they come in at \$1.721 million which is an increase of 6% based on premiums. If you factor in the laser, the additional \$475k then it will total 24%. If you go down to the yellow, VOYA quotes Fund to Expected \$12.235 million, along with all the rest of the carriers. What that means is that all of the carriers have looked at the claims data, experience, current risk and put through their models and all expect the District's claims to be in the \$12 million range for this upcoming year. So, if you look at the bottom of the yellow it shows about a 23% increase of soft dollars, which is the projection of total paid claims will be from current. If you look at TMHCC, their premium comes in at \$1.648 million which is about a 1% increase in premiums but if you add the laser then totals 20%. I'll pause here for any questions. Kay – I do have questions, if you would be so kind to explain fund to expected and fund to aggregate that would be helpful to me. Robb – you bet. If you look at the VOYA quote, the Fund to Expected is \$12.235 which they expect the District's claims to be over \$12 million this next year. The aggregate number, \$15.2, is the number they set as your reimbursement amount. This means, if you go over that amount next year, then they would reimburse you dollar for dollar the amount you go over. Does that make sense? Kay – Yes, thank you. Shannon – Can I ask you 1 question? The #'s below which is participant 1, 2, 3 all the way to 8, the dollar amounts is that the amount we got reimbursed or their total claims? Robb – Yes, in year amounts you will see the numbers such as 2 in 2018, 11 in 2019 and then \$689,754.29 that is the amount that you got reimbursed for those years on those members that went over the spec. If you look at the Claimants at 80% or above, that is the individuals that they are targeting for the increase. Rich – So participant 1 is who they are targeting for the laser right? Robb – Right, the carriers are pretty good at where they put their numbers, they know the claim and treatment so they know the member will be very close to that if not over that next year. Any other questions? Ok, so back to column 5 which is the TMHCC renewal, if for some reason that 1 member doesn't hit the laser that doesn't change anything else except save you money, if you compare to VOYA you will see that in the yellow they are very close. I won't go through the others in detail but I want you to see those options the spec goes up to \$185k. This means that instead of getting reimbursed after \$175k right now you would take the \$10k additional risk per person on the plan. So, the District would have to pickup that additional \$10k on each person shifting the risk to the District. You will see, in doing that the carriers do reduce their numbers since you are taking on more risk. You will see that on OPTION 2, you see that taking on \$10k on every belly button that you would save about \$90k in premiums. That means 9 bodies would have to meet that spec to offset the savings. If you look at the history, you had a couple high years such as 2019, 11 2022 was 9, 2020 was 8... so on average it's about 7.5 specs... so you would potentially

save about 1.5 specs, so only a little money. Rich – so basically only about 15k... that doesn't seem worth the risk at all especially if we continue with our trend of bad claims. Robb – right, so for Allegiance we do recommend the TMHCC OPTION1 or even there OPTION 2. I think those are your 2 best options. Rich – Yes, to add for reference, last year we bumped our spec up to \$175k from \$165k. If you look at 2019, 2022 then we obviously hit that number of 9 so I don't feel comfortable going up to \$185k spec and incurring the more cost. Robb – Yeah, I think that's a good line of thinking and would concur with that. And the only way you can go back down is to shift the risk back to the carrier which they will charge a lot more. The common way to think is not going up unless you have to. Also, the 1st option with TMHCC is a good quote that is competitive and a flat renewal even though there was a laser. I think that's pretty incredible since there is risk out there on your plan. Rich – Yeah, I think it's a good quote. Any questions for Robb? Robb – just a reminder this is firm through tomorrow. Rich – yeah I think we will have something here in a sec. Shannon – I will make a move to go with column 5 TMHCC OPTION 1. John B – I will 2nd that. Rich – Ok, I have Shannon as a 1st and John as the 2nd. Can I get an all in favor? Everyone: "Aye". Rich – Any opposed? Ok, Robb I will go ahead and send this your guys' way and sign what I need to. I appreciate your time Robb and thank you! Robb – No problem, thanks, have a great night. John B – This year was a lot easier. Rich – yes, we had more competitive quotes this year. Last year we were basically stuck with only 1 option and it was a big change and jump but definitely warranted last year. Like I said, with 1 month left I'm confident that 3 of the 4 will probably get to the spec by the end of the year. So that would bring our current total of 4 up to at least 7. I don't want to continue to see that, but as long as they aren't going up to 9, 10, 11's but we'll see. That's all I have. Anyone have anything? Shannon – Yes I do. Can you share what we have in Unreserves at this time? Rich – Yes, I can give you at the end of June, we have a discrepancy I'm trying to find with Allegiance, so we were about \$1.71 million. Shannon – but that was the end of June right? Rich – Right, July wasn't looking too bad except we had 1 week at over \$500k which half a milli that sucks for 1 week. But as I said, with all the high-cost claims we have and cancers and so forth, the costs keep rising. As a reminder in November we will see Allegiance's year-end summary so that will be good for seeing what our weaknesses and strengths are for the year. Also, for next month please remember we will need to vote in a new chair and vice chair. Burke has done it... John B – It hasn't been that bad but I did my 2. Someone else's turn. Rich – Hahaha, yes I just want to get it on the radars. I think we will also have some information on the 340b for you guys as well. I'm meeting with Prism health, they were able to quantify what we would've saved. They just want to help whether we use them or not, just to give an idea of what we want to do and savings. I'll give you that summary and we will go from there. I'm excited and hoping it will be a positive thing. We are looking at meeting with them and St. Peter's and hopefully go through it all together to leave our members with the best option. We will see. John B – Can I ask a question on Stop Loss reimbursement? Do we get reimbursed right away after the \$175k is met? Rich – Yep, let's say Ross get's to \$179k by the end of the month, then we would get \$4k in that next batch. John – I was just wondering because with the other high claims I didn't know if we would get a big reimbursement. Rich – Yeah, it's plausible since there is a lapse in processing. Ross – is it reimbursed dollar for dollar? Rich – Yeah, but it's just timing anything over \$175k we get reimbursed. If we were supposed to get \$1 million from a member, but their claims are processed over several months then we wouldn't see it all at once. Ross – K, last question do all plans have stop loss? Is it crazy to not have that? Rich – Yeah, so if we didn't have it we'd be on the hook for all the cost beyond spec. If you look at the year we had 11 stop loss claim reimbursement individuals, then the reimbursements of over \$1 million we would've had to pay. They do make money, mostly on the years we aren't hitting those spec amounts such as 9. Ross – Could we use our Unreserves as a stop loss? Rich – Yeah, but the only problem is we haven't had a genetic therapy incident yet and those could be a couple million dollars easy. 1 drug alone for 1 dose is over \$2 million. I guess the best way to explain is we are "guarding against" those things. Basically what would help is if we get healthier. Kay – I would love a general overview list of what our schedule will look like for the upcoming months to keep on our radar. Rich – Yes, I can definitely do that and send a monthly outlook of what we will be doing. Keep in mind with everything we are doing things do altar and change, but it will be a good overview of what we have coming up. Any other questions? Kay –

Yes, what has happened over the summer with the changes we made are we seeing anyone shift back or forth? What's the result? Rich – Everyone that was on the Premium Plan they see that there isn't much of a change at all... for an individual especially it's less than \$5/month. The ones that are upset are the Standard Plan which is Option 2. That's because we closed the gap, there was only a 3.2% actuarial difference between the 2 plans which is ridiculous since they were paying so much cheaper than the other plan. So, some went out and looked on the market place and realized it wasn't cheaper. They also realized that they were misinformed since they were also told that we had our “good benefits” were going away. So, reassuring them that the NNP with St. Peter's and so forth is all still in tact made them happier knowing that it was misinformation. The misinformation, I'm not going to say where it's from, once clarified they were happy to hear that we didn't lose the benefits and are just restructuring the costs. Kay – Is there some communication we can do? Rich – Yes, but a lot of our employees have just gotten back so a lot of them don't know until they go through their packets and email blasts. The ability to elect medical but now you can elect medical with spouse and don't have to have them on medical. Things like the 2 year commitment that hasn't been a deal for over a year and things like being able to choose just medical single and single vision, it's great that they see there is flexibility. Keri – Is there any FAQ's that you see or hear from your co-workers/colleagues? If you can send those to me I can do another blast and help with the information and that helps me to help Rich to alleviate some of those questions as well. Rich – Tomorrow I have an open TEAMS meeting at 3:45 to watch me do the Open Enrollment process and how to do it, so I will record it and put it on the Insurance website for people to use and view. It should be helpful and I think it will be good for any of those changes. Any other questions? Then this meeting is adjourned and appreciate you all for attending. Have a great night.

Next meeting: 10/31/24

Meeting adjourned: 4:45 PM