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Health Benefits Committee Meeting

Wednesday, July 8, 2026
12:00 p.m.
Lincoln Center

MINUTES

ATTENDANCE

Rex Weltz, Superintendent	Mike Bonville, Alliant
Candice Delvaux, Executive Assistant	Jesse Zentz, Bridged Health Alliance
Jacquelyn Gomes, Bridged Health Alliance	Jamie King, Allegiance
John Doran, Bridged Health Alliance	Amber Ireland, Allegiance
Richelle Saldana, Capital Rx	Aaron Bay, Allegiance
Ross Gustafson, Committee Member	Julie McGuire, Committee Member
Jessica Reynolds, Committee Member	Jane Shawn, Committee Member
Keri Mizell, Committee Member	Marti Kuntz, Committee Member
Cindy Curran, Committee Member	Kay Satre, Committee Member
Emily Rodway, Committee Member	Kim Barry, Committee Member
Shannon McNamee, Committee Member	Sam Holman, Committee Member
Mark McGuire, Committee Member	Guests of the Public

ITEMS FOR INFORMATION/DISCUSSION

A. Welcome and Opening Remarks

Superintendent Rex Weltz opened the meeting by thanking the committee and consultants for their continued work evaluating the District's health benefits renewal. He acknowledged the committee's previous recommendation of a 15.5% premium increase and explained that he requested an additional review to determine whether alternative strategies could reduce the increase while maintaining the long-term stability of the District's self-funded health plan.

Representatives from Alliant and Bridged Health Alliance presented updated analyses and emphasized that the purpose of the meeting was to provide the committee with additional considerations rather than a specific recommendation. They noted that extensive collaboration had occurred since the previous committee meeting to identify potential opportunities to lessen the premium increase while preserving the financial health of the plan.

Consultants reviewed the healthcare market trends that continue to drive increasing medical costs,

including inflationary pressures, rising utilization, specialty medications, and catastrophic claims. They explained that these industry factors continue to impact self-funded health plans throughout the region.

The committee reviewed the projected financial impact of several renewal scenarios.

B. Reserve Fund Review

The committee devoted significant discussion to the District's health plan reserve balances and the purpose of maintaining reserve funds.

Consultants reviewed the distinction between the operating balance and reserve balance, explaining that approximately $1.7 million was available within the operating account while approximately $5.8 million remained in reserve. They further explained that an estimated $1.4 million represented incurred but not reported (IBNR) claims that are already obligated to the plan.

Committee members discussed the long-standing practice of preserving reserve funds and questioned whether a formal Board or committee policy existed establishing a required reserve level. Superintendent Weltz noted that, despite previous references to such a policy, staff had been unable to locate any written policy establishing a specific reserve requirement. Instead, the reserve level has historically been maintained as a best practice to ensure long-term financial stability and provide protection in the event of unusually high claims or significant changes to the health plan.

Consultants explained that reserve funds are intended to:

- Maintain long-term solvency of the self-funded health plan.
- Protect the plan during unusually high claims years.
- Allow for strategic investments in employee health benefits.
- Reduce the impact of unusually large premium increases over time.

Based on current actuarial projections, consultants indicated that reserve balances between approximately $4.25 million and $7 million would generally be considered financially appropriate, while emphasizing that reserve targets should continue to be evaluated as healthcare costs increase.

Committee members agreed that the discussion highlighted the need for a future review of the District's reserve philosophy and long-term reserve funding strategy.

C. Review of Risk Analysis

Consultants presented updated modeling illustrating the impact of various premium funding levels under both expected and worst-case claims scenarios.

The committee reviewed projections showing that the previously recommended 15.5% premium increase would substantially fund projected claims while placing minimal pressure on reserve balances, even under a worst-case claims year.

Additional financial modeling demonstrated how reserve balances could be affected under lower premium increase scenarios, allowing committee members to better understand the potential risks associated with reducing employee premium increases while maintaining adequate protection for the self-funded plan.

D. Review of Premium Reduction Options

The committee reviewed several strategies developed collaboratively by Alliant and Bridged Health Alliance that could reduce the previously recommended 15.5% premium increase while maintaining the long-term financial health of the self-funded health plan.

Consultants emphasized that the options presented should be viewed collectively rather than independently, noting that each consideration contributed incremental savings while balancing financial risk.

Largest Claimant Funding Strategy

Consultants presented an option to temporarily remove the financial impact of the plan's largest claimant from the health plan by funding the claimant through an alternative District funding source for the 2026–2027 plan year.

The committee discussed both the advantages and limitations of this approach. Consultants explained that funding the largest claimant outside of the health plan would reduce the projected premium increase by approximately 4.5% to 6%, depending on the level of funding provided. Committee members acknowledged that this solution would provide meaningful short-term relief but would likely require additional evaluation during the following year's renewal process because it represents a one-time funding strategy.

Superintendent Weltz and Business Director Sam Holman stated that the District was confident it could provide approximately $475,000 in one-time funding from an alternative District source rather than utilizing health plan reserves. Committee members agreed that this approach would reduce pressure on employee premiums without diminishing reserve balances.

Copayment Adjustments

The committee reviewed a proposal to increase Option 1 copayments by $10.

Consultants explained that increasing copayments would not create true plan savings, but would instead shift a small portion of healthcare costs from the health plan to plan members. Based on historical utilization, consultants estimated that the adjustment could reduce overall plan costs by approximately 0.5%, with the potential for somewhat greater savings depending on future utilization patterns.

Additional claims analysis demonstrated that many covered services currently require little or no member cost-sharing. Consultants noted that modest copayment adjustments could help offset increasing healthcare costs while continuing to provide comprehensive employee benefits.

Committee members discussed balancing affordability for employees with the long-term sustainability of the health plan and agreed that a modest increase represented a reasonable consideration.

Bridged Provider Network Savings

Representatives from Bridged Health Alliance reviewed anticipated savings associated with implementation of the

Bridged provider network.

Based on historical claims analysis and negotiated provider reimbursement rates, consultants estimated that the Bridged network could reduce healthcare costs by approximately 2% through improved provider contracting and network pricing.

Representatives reported that contract negotiations with St. Peter's Health, Bozeman Health, and Benefis Health System were progressing positively, with agreements nearing completion. Committee members were advised that members would continue to have access to participating providers while benefiting from improved negotiated reimbursement rates.

Consultants noted that the projected network savings were based on conservative estimates and expected to provide continued value as healthcare costs increase in future years.

First Stop Health Telehealth Program

The committee reviewed a proposal to implement First Stop Health, a comprehensive virtual healthcare program providing employees and covered dependents with 24-hour access to urgent care, primary care, and mental health services.

Consultants explained that the program was expected to be cost-neutral during its initial year as implementation costs would likely be offset by reduced utilization of higher-cost healthcare services. Additional financial savings are anticipated as employee participation increases over time.

Committee members discussed the significant challenges employees experience accessing primary care and behavioral health services throughout Montana. Consultants highlighted the program's emphasis on employee engagement, communication, and rapid access to care, particularly for mental health services.

The committee also discussed opportunities to introduce the program during the upcoming Health Benefits Fair and noted that First Stop Health representatives could participate in employee education and outreach efforts if the program is approved.

Committee members expressed support for improving employee access to healthcare while maintaining flexibility for employees who wish to continue utilizing their existing primary care providers.

Overall Financial Impact

Consultants summarized the cumulative impact of the proposed strategies, explaining that implementation of the largest claimant funding strategy, modest copayment adjustments, and anticipated Bridge network savings could reduce the overall premium increase by approximately 7% to 8.5% while maintaining acceptable reserve levels.

Consultants advised that an 8.5% premium increase represented the more conservative approach and would better position the health plan for future sustainability while limiting potential pressure on reserve balances should claims exceed expectations during the upcoming plan year.

Committee Discussion

Committee members expressed appreciation to the consultants for providing additional analysis and exploring alternatives to lessen the financial impact on employees while maintaining the long-term

stability of the District's
self-funded health plan.

The committee discussed the balance between minimizing employee premium increases and preserving adequate reserve funding to protect the health plan against future claims. Members agreed that the additional financial modeling provided a clearer understanding of reserve utilization, acceptable reserve ranges, and the long-term implications of various funding scenarios.

Committee members also discussed the importance of continuing to evaluate reserve funding policies in future years, noting that no formal written policy currently establishes a required reserve balance. Members agreed that establishing reserve guidelines may be beneficial as healthcare costs continue to increase.

The committee further discussed the proposed implementation of First Stop Health, recognizing the value of expanding access to primary care, urgent care, and mental health services for employees and their families. Members expressed support for enhancing employee access to care while continuing to educate employees on available healthcare resources.

Consultants recommended an 8.5% premium increase as the most financially prudent option after considering the proposed funding strategies, anticipated network savings, and plan design modifications. The recommendation was presented as a balanced approach that would reduce employee premium increases while maintaining the overall financial stability of the health plan.

E. Action Items

Following discussion of the proposed renewal strategies, the committee took action on several recommendations for the 2026–2027 health benefits plan.

First Stop Health

The committee discussed implementing the First Stop Health telehealth program, including urgent care, primary care, and mental health services. Members recognized the value of expanding employee access to healthcare while improving access to behavioral health services and reducing barriers to care.

Motion: Jessica Reynolds moved to approve implementation of the First Stop Health telehealth program. Shannon McNamee seconded the motion.
Public Comment: None
Vote: Motion carried unanimously (11-0).

Largest Claimant Funding

The committee considered a proposal for the District to provide one-time funding from a separate District account to offset the plan's largest claimant for the 2026–2027 plan year, thereby reducing pressure on employee premiums without utilizing health plan reserves.

Motion: Shannon McNamee moved to fund the largest claimant from a separate District funding source for one year. Julie McGuire seconded the motion.
Public Comment: None
Vote: Motion carried unanimously (10-0).

Copayment Proposal

The committee discussed increasing Option 1 copayments by $10. Members expressed differing viewpoints regarding whether adjustments should apply only to primary care visits or more broadly across additional services. Considerable discussion focused on maintaining affordability while preserving the richness of the health plan.

Motion: Jessica Reynolds moved to increase the current $10 Option 1 copayment to $20. Shannon McNamee seconded the motion.
Public Comment: None
Vote: Motion failed (0-11). The committee agreed to table the proposed increase to Option 1 copayments, determining that further discussion regarding plan design changes and copayment adjustments was needed.

Premium Rates Recommendation for 2026-2027

Following additional discussion regarding reserve balances, projected network savings, one-time District funding of the largest claimant, and implementation of First Stop Health, the committee considered the premium increase recommendation to forward to the Board of Trustees.

Consultants indicated that, after accounting for the approved strategies, an 8.5% premium increase represented a reasonable and financially responsible recommendation while maintaining the long-term sustainability of the self-funded health plan. Committee members also acknowledged that additional plan design opportunities could continue to be explored during the coming year.

Motion: A motion was made by Kay Satre to recommend an 8.5% health insurance premium increase for the 2026–2027 plan year. Jessica Reynolds seconded the motion.
Public Comment: Ms. Sarah Urban provided public comment regarding the proposed 2026–2027 health insurance premium increases. Ms. Urban commented on topics including but not limited to expressing appreciation to the Board, committee members, and consultants for their time, expertise, and thoughtful consideration of the health benefits discussion. She encouraged the Board to continue considering the consultants' recommendations regarding plan design and emphasized the importance of educating employees about how their healthcare decisions affect both individual and overall plan costs. She shared that increased awareness has changed how she utilizes her own benefits and expressed her belief that continued member education will help reduce future healthcare costs.
Vote: Motion carried unanimously (11-0).

F. Future Business

The committee identified several topics for future discussion, including:

- Health plan design review and potential copayment modifications.
- Health Savings Account/High Deductible Health Plan options.
- 340B program updates.
- Musculoskeletal program opportunities through Hinge Health and Aware
- Revisions to the Health Benefits Committee Handbook.
- Continued evaluation of reserve funding guidelines and long-term plan sustainability.

G. Next Meeting

The committee discussed the timeline for Board approval, employee communications, the Health Benefits Fair, and open enrollment. Members agreed the next regularly scheduled Health Benefits Committee meeting would be held on Thursday, August 27, 2026. Staff will prepare employee communications following Board action on July 15, 2026.

H. Adjournment

The meeting was adjourned at 2:24 p.m.