Health Insurance Committee

Kalispell Public Schools

Date: January 28, 2016

4:00pm FHS Conference Room

**Members:** ~~Shari Culbert~~, Judd Nyberg, Dawn Ann Anderson, Deb Hunt, Bette Albright, , Greg Letourneau, Lisa Lykins - Chair, Mike Lincoln, Mike Thiel, ~~Niki Dykstra~~, Sylvia Heselwood, Warren Lane, ~~Alex Schaeffer~~, Karen Mainolfi, Jack Fallon, Kris Hursh

**Advisors:**Gwyn Andersen, Tracy Scott, Mark Flatau, Braumlee Boyce, Dave Schultz

**Consultant:** Michael Young, Consilium

**AGENDA**

**Update on Financials Mike Thiel**

*Mike Thiel***:** Audit group is very close to completing their work. There has been a tremendous amount of work done up to this point by all involved. They are behind where they hoped to be due to calendar issues through the holidays.

*Tracy Scott:*process has been much more complex than initially thought it would be; remember that our reserves are there for years like this; not as simple as money in money out; creating these financial statements not as easy as we thought it would be

*Sylvia H:* Although she realized it’s semantics she suggests the committee not use the word “bad” when speaking to members about the current year. Urges us to find another way of explaining the losses the plan has incurred.

**Update on mid-year rate change Mike Young**

\*Does not feel a mid-year rate hike would be the right thing to do. Too tight a turn around before end of year and then we’d still have another rate hike. Best to make this move all at once.

\*Stop Loss- consider going out to bid for stop loss, will need all consortium groups in agreement

\**Tracy* would like to see us go to bid for stop loss every year and for TPAs every 3 years.

\*When we look at all group in the consortium SD5 will benefit with stop loss due to the good years and no large claims in Flathead group and WSD.

\*Libby, Thompson Falls and troy all interested in joining the consortium

pros-increase size and efficiency of consortium

cons-edge of geographic area for providers and they may not be comfortable with

the risk

\*C Falls is happy where they are

**Population Health Mike Young**

*Report on participation in wellness program:*

Eligible - 596 employees and spouses

Screened - 423 (71%)

Employees 58%

Spouses 23%

Retirees 9%

Completed HRAs 326 (77%)

Consortium wide:

Total eligible = 1038 + unknown number of spouses

Total screened = 679 (65.4% of those eligible)

Total completed HRAs = 570 (84% of screened)

*Summary*:

Groups A & B with wellness scores from 80-100 have one or fewer health risks and require no follow up; percentage wise fairly even distribution between groups; need to keep them healthy!

Groups C & D with wellness scores of 80 and below have as many as 2 or more major risk factors. Need to focus on these groups

Risk factors include hypertension, lipid profile, physical activity/step test completion, body fat.

In groups A&B 51 Kalispell people requested some time of coaching

In groups C&D 136 people will be offered coaching

***General comments* –**

\*Initial calls from Summit coaches need to be more encouraging and informative to get people there

\*May want to consider taking our wellness efforts to the next level by hiring a health advocate/onsite case manager to work with at risk members

**Financials Mike Young**

**Medical**

\*claims exceeded funding by $70,728

\*Loss ratio claims vs funding running at 119% in December

\*$138,000 year to date stop loss reimbursement

\*120% loss ratio driven by the claims of 9 people

\*Unsure how many of these high $ claims will be ongoing into next year. Medications for one member are almost

$20,000/month while another member’s meds are $11,000/month.

\*In absolute $ we are actually spending less on routine claims this year - good news!

\*Projecting for future large claims is difficult. We need to consider that the 9 large claims are ongoing and add $ to

allow for up to 2 more unexpected large claims. Best estimate: shortfall somewhere between

$2-400,000.00

Year end Projections:

Total costs for year (fixed/large/routine): $5,160,330.00

Funding: $4,837,311.00

Funding Shortfall: ($ 323,019.00)

ACA costs: ($ 70,000.00)

Additional premium: $ 150,000.00

Rebates: $ 30,000.00

($ 213,019.00)

Bottom line is that we may be facing a minimum 10% increase for next year which will only make use whole from this year.

We may want to consider increasing the rate hike to allow for another high claims year.

**Dental**: Claims running at 111% as of December.

Based on historical figures we should end up at about 100%

May need to consider an increase for higher user groups

**Vision**: Claims running at 90% as of December.

Looks like we’ll end year at 80-85%

Don’t anticipate a rate increase

**Consortium Update**

WSD Claims to funding running at 90% as of December

Flathead Group actual claims are running below expected. Running at 74% as of December

**UPCOMING MEETING DATES**:

February 25, 2016

March 17, 2016

April 21, 2016