



FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

520 Fifth Avenue Fairbanks, Alaska 99701-4756 (907) 452-2000

www.k12northstar.org



Health Care Committee Meeting Agenda

January 17, 2017

Administrative Center

Location: Rm 426

1:30 PM to 3:30 PM

Health Care Committee Members:

Superintendent Appointed Reps:

Krista Lord, (Chair), HR
Lisa Pearce, CFO, Admin Svs.(1:31 PM)
Heather Heineken, Director, Admin Svs.

FEA Reps:

Lynn Bernheim, HUT
David DeVaughn, BEH
Kristina Mulready, LAD

ESSA Reps:

Jasmine Adkins-Brown, Sp.Ed(1:32 PM)
Carlene Cummings, BEJSHS
Irene Matheis, ESSA President

FPA Rep:

Barbara Sperl, CRW
Alt - Kate LaPlaunt, PLC

FNSB Risk Manager (Non-Voting):

Tony Shumate

Staff Support:

Terri Cothren, Benefits Coordinator, HR
Meghan Geyer, Benefits Assistant, HR
Colleen Savoie, Health Care Consultant, Parker, Smith & Feek
Sarah Brown, Health Care Consultant, Parker, Smith & Feek(ABSENT)

I. Call to Order/Introductions/Reports

Meeting was called to order at 1:32 PM by Krista Lord.

• **Review of health insurance enrollment numbers for 2017**

Plan A – 930 members
Plan B – 243 members
Plan C – 384 members
Waived – 323 members

• **Approve minutes**

Motion: Approve minutes from October 18th, 2016, with revision to meeting called to order time.

Moved: Irene Matheis
Second: David DeVaughn

All in Favor - Motion Passes

• **Introductions**

Heather Heineken, the Director of Business Services & Risk Management Liaison, was introduced as the Superintendent appointed representative. She will replace the interim representative, Sharice Walker.

• **Claims Experience Report Y-T-D**

Colleen Savoie reviewed the claims experience report and reminded the committee that claims incurred in November and December 2016 would be processed in the first quarter of 2017. The January 2017 plan changes won't impact the claims experience immediately, due to the claim lag

For the fiscal year-to-date, the School District paid claims of approximately \$16,068,889 or \$1,725 per covered employee per month. This is a 1% decrease in total claim costs, and a 1% increase from the average monthly claims cost per employee during 2015/16 year-to-date (\$1,704).

On a per covered employee basis, medical claims have increased by 2%, dental claims have decreased by 9%, prescription claims have increased by 8%, and vision claims decreased 15%. The total number of covered employees decreased by 3%.

Approximately \$7,139,357 has been paid in large claims (over \$20,000) on behalf of 129 claimants during the 2016/17 fiscal year-to-date. This represents a 1% decrease in dollars paid and eleven fewer large claimants.

Compared to the 2015/16 Fiscal Year-to-Date, the number of prescription drugs purchased increased by 11%. The cost per claim increased by 12%.

The School District has paid \$7,139,357 on behalf of 129 claimants during the 2016/17 fiscal year-to-date. We observed \$7,245,667 paid in large claims on behalf of 118 claimants during the 2015/16 fiscal year.

Effective July 1, 2016, the School District increased the stop loss deductible to \$400,000. No claimants have exceeded this deductible.

Compared to the 2015/16 Fiscal Year-to-Date, the number of prescription drugs purchased decreased by 7%. The cost per claim increased by 14%.

Caremark claims shown above do not include prescriptions paid under the medical plan through WPAS.

For 2016/17 Fiscal Year to date, 84% of prescriptions purchased were for generic drugs. 2% of the fiscal year's claims were for brand name drugs for which a generic equivalent was available. During the same time period in the prior year, 83% of prescriptions were generic.

The average cost of brand name drugs increased by 28%. The average cost of generic drugs increased by 2%.

- **Update on BridgeHealth and Teladoc**

BridgeHealth - It was requested that the BridgeHealth program savings be added to the claims experience report in the future. A total of five surgeries have been completed to date for estimated savings of \$140,000. The program cost has been \$28,000, leaving a total net savings of \$112,000 to the plan, so far. Employees are contacted by Bridgehealth when the program receives pre-certification notices for the types of surgeries within their scope of practice. The information is also going out through benefits education, our website, and our benefits newsletters and updates. A committee member reported that their experience was very pleasant with BridgeHealth when reaching out to plan a possible surgery. It took a few weeks to coordinate, but the experience was great. Another committee member reported feedback from a district employee that they went through a BridgeHealth surgery and they would not participate again due to the communication and glitches along the way with the program. It was reported to be a negative factor that the employee did not meet their surgeon until the day of the procedure. Although the employee's experience post-operation was great. Bridgehealth offers a formal questionnaire for feedback from each employee on their experience with the program. A summary of the survey responses are provided to the Human Resources office at the School District for review.

Teladoc – 54 visits have been used from program implementation through November 2016. Teladoc estimates \$7,443 in net savings for those visits, compared to the average cost of those visits in other settings.

II. New Business

- **2017 Health Benefit Plan Book update**

The 2017 Health Benefit Plan Book is available on our website on the Benefits Page at www.k12northstar.org/benefits. Printed copies were given to the Health Care Committee members.

- **Benefits Contact Sheet updated on website**

The plan Contact List has been updated and posted to reflect the changes of the plan for 2017.

- **Quarterly newsletter by Parker, Smith & Feek**

Edits are due January 20th and the newsletter is scheduled to go out to employees in February. The focus in this newsletter is on "utilizing your benefits".

- **ACA – what does the future look like now/Colleen Savoie:**

Colleen expects to see changes made to ACA in the coming years. The incoming President has indicated ACA will be repealed and replaced. Congress has discussed options for modifying the ACA, but the details of the changes and the effective date are unclear at this time. Colleen anticipates that some elements of ACA will remain, such as coverage of dependents up to age 26. She is hopeful that some elements will be repealed or modified, such as the employer mandates and the Cadillac Tax. She will continue to monitor potential changes that may impact the School District plan in the future.

HCC members questioned if recent plan changes were necessary with possible changes in ACA. In response to that question, it was reiterated that the Health Care Committee is responsible for considering cost control measures as well in their decision making, since the School District's health plan is self-funded.

- **PA Clinic Update – Coalition Health Center**

Many issues were brought forward with the main concerns were limited hours, the child age cutoff, and not being able to walk-in for an appointment. Reports and complaints have been recorded and sent to the Coalition as well as Colleen Savoie at Parker, Smith & Feek for review and consideration. It was asked if the age cutoff for children

could be lowered down to age two. The CHC expects to treat children as young as age 2 in the near future, but the effective date of this change was not known yet. Similarly, the hours of operation are being discussed and the CHC will offer expanded hours in the future. Despite the complaints, there has been a good utilization of the Coalition Health Center thus far, and there are reports of very happy employees as well. The ability to treat chronic conditions, write and renew prescriptions and dispense some limited medications directly from the center is a huge bonus to employees, as these services were not available at the previous PA Clinic. It was requested that a communication be prepared that would help explain what the various medical services available through the health plan and when to use them. Feedback on the new PA Clinic (CHC) will continue to be monitored by the committee.

- **Chiropractic claim issues**

Colleen reviewed with the committee that the recent increase in number of denied chiropractic claims by Aetna was due to Aetna requiring proof of medical necessity after 25 visits with a chiropractor for each episode of care. Many employees have been experiencing denied claims in 2016. Employees can appeal the denials as outlined in the Health Plan Book. It was discussed that the plan change of limiting the chiropractic visits to 24 per year starting 1/1/17 could alleviate some of this issue for the plan. It is possible that if we asked Aetna to reset each member's chiropractic events each calendar year, it could mitigate this issue.

Motion: To recommend to administration to consider resetting the chiropractic visit accumulators for each member at the beginning of each calendar year to alleviate the denial issues taking place.

Moved: Barbara Sperl
Second: Irene Matheis
Nay: Jasmine Adkins-Brown

Nine in Favor - Motion Passes

- **Update on change in operator at FMH and impact to plan participants**

Colleen Savoie: There has been no impact in change of operator at FMH. FMH is not operated by Banner anymore. It is now an independent community hospital that is independently run. PPO agreements remain the same as they have in the past. Both sides will look at renegotiation in time. The main concern is always if they will change their pricing philosophy, billing processes, and/or master list of prices. It is too soon to know if any of that will happen. For the time being, it is business as usual.

III. Old Business

- **Open Enrollment wrap up update**

Terri Cothren provided a review of the communications that went out for open enrollment. The 2018 health care information should be posted by March 1st. Thirty-five presentations on healthcare benefit changes took place prior to open enrollment, and a lot of people asked questions and did their research; at the same time, many did not review the updates that were being sent out. With both FEA and ESSA finalizing negotiated ratification agreement during the education and open enrollment period, it required quick communication to employees on the cost share contributions changes. Continuing education on the health plan changes and how to better utilizing your benefits will take place in the upcoming months. There were a good number of Health Savings Accounts and Flexible Spending Accounts elected during open enrollment.

IV. Adjourn

Motion: Adjourn HCC meeting

Moved: Irene Matheis
Second: Barbara Sperl

All in Favor - Motion Passes

Meeting was adjourned by Krista Lord at 3:08 PM.

Upcoming Meeting Schedule:

February 16, 2017
March 21, 2017

1:30 – 3:30 PM
1:30 – 3:30 PM

Tech Conf Room
Room 341