



FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

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

www.k12northstar.org



Health Care Committee Meeting Agenda

February 16, 2017

Administrative Center

Location: Tech
Conference Room

1:30 PM to 3:30 PM

Health Care Committee Members:

Superintendent Appointed Reps:

Krista Lord, (Chair), HR
Lisa Pearce, CFO, Admin Svcs.
Heather Heineken, Director, Admin Svcs.

FEA Reps:

Lynn Bernheim, HUT
David DeVaughn, BEH
Kristina Mulready, LAD(ABSENT)

ESSA Reps:

Jasmine Adkins-Brown, Sp.Ed
Carlene Cummings, BEJSHS
Irene Matheis, ESSA President

FPA Rep:

Barbara Sperl, CRW
Alt - Kate LaPlaunt, PLC(ABSENT)

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

I. Call to Order/Introductions/Reports

Meeting was called to order at 1:30 PM by Krista Lord.

• **Approve minutes**

Motion: To replace FPA alternate, Kate LaPlaunt's, name on the motion and second to a motion in the January 17th, 2017, minutes with Barbara Sperl's name in compliance with the operating guidelines for the committee.

Moved: Irene Matheis
Second: Carlene Cummings

All in Favor - Motion Passes

Suggestion to amend motion by Krista Lord: To further amend the minutes from January 17th, 2017, to include clarification and changes to the grammar and omitted draft revisions.

Accepted: Irene Matheis

Motion: Accept the minutes from January 17th, 2017, with approved amendments.

Moved: Irene Matheis
Second: Jasmine Adkins-Brown

All in Favor - Motion Passes

• **Claims Experience Report Y-T-D**

Sarah Brown reviewed the claims experience with the HCC and reported that overall Y-T-D, costs were down. This was the first report for which Bridge Health and Teladoc utilization was reported (5 completed surgeries and net savings of \$112,134 for Bridge Health through the end of 2016; 65 consultations and \$8,452 total net claim savings compared to average industry costs for Teladoc through the end of 2016). This is also the first report to include CHC utilization. Utilization continued to increase for 2017 (161 visits in January, and 76 visits in February through Feb. 14).

For the fiscal year-to-date, the School District paid claims of approximately \$18,819,640 or \$1,727 per covered employee per month. This is a 4% decrease in total claim costs, and a 2% decrease from the average monthly claims cost per employee during 2015/16 year-to-date (\$1,759).

On a per covered employee basis, medical claims have decreased by 2%, dental claims have decreased by 7%, prescription claims have increased by 9%, and vision claims decreased 19%. The total number of covered employees decreased by 2%.

Approximately \$8,349,703 has been paid in large claims (over \$20,000) on behalf of 150 claimants during the 2016/17 fiscal year-to-date. This represents an 8% decrease in dollars paid and four fewer large claimants.

Compared to the 2015/16 Fiscal Year-to-Date, the number of prescription drugs purchased decreased by 6%. The cost per claim increased by 14%.

The School District has paid \$8,349,703 on behalf of 150 claimants during the 2016/17 fiscal year-to-date. We observed \$9,053,426 paid in large claims on behalf of 154 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 6%. 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, 85% of prescriptions purchased were for generic drugs. 1% 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, 84% of prescriptions were generic.

The average cost of brand name drugs increased by 33%. The average cost of generic drugs decreased by 5%.

II. New Business

- **Linking Caremark claims to WPAS claims for Plan B prescriptions**

The committee reviewed Plan B's prescription claim process, in which all prescription costs are applied against the deductible; there is no co-pay plan for Plan B members. Pharmacies do not have a link in their system to see if a Plan B member has met their deductible, so all pharmacy claims must be paid for out of pocket by the employee or dependent and manually billed to WPAS through submission of a claim form and accompanying receipts or supporting documentation. These claims can be submitted to WPAS via fax, email, or mail.

The district is planning to work towards a system where Caremark and WPAS can trade daily files and eliminate this manual claim process. This new system will provide two things. First, automatic claims submission towards the medical deductible, and second, appropriate pharmacy billing once deductible is met. The earliest that this will be completed and implemented is January 1, 2018. There are associated costs for this change and the committee will need to review prior to committing to this.

- **Teledoc rectifying overcharge for Plan C members (\$40)**

Aetna representatives have been working with Teledoc to sort out some eligibility issues and overcharges on members' accounts. Some members were set up with a temporary account causing a charge of \$40 rather than \$5 for Plans A & C. It is being worked on at a management level and should be rectified in the near future. A HCC member mentioned that it would be good to remind employees to register for Teledoc prior to needing to utilize it during a medical event.

- **Default of new employees to Plan C instead of Plan B if no paperwork returned within 30 days of hire**

Committee members discussed the default plan choice following an employee's failure to turn in health care election paperwork within 30 days. It was determined that Plan B would remain the default choice, and that very few employees are defaulted per year.

- **PA clinic adjusted hours and ages update**

Two flyers were successfully sent out and posted on the Benefits page on the SD website for employees on Plans A & C concerning the new PA Clinic, Coalition Health Center of Fairbanks. One flyer offered answers to many of the frequently asked questions that have been cycling concerning the CHC over the past six weeks. This flyer offered

specific information on the new updates--adding daily walk-in times for patients experiencing acute illnesses and the child age being lowered to two years of age, starting February 21st, 2017. The second flyer provided information on what resources were available to plan members for non-emergency care should the PA clinic be closed. The committee reviewed recurring issues and reports of delayed appointment times and the need for accessibility outside of the current hours at the CHC. With adding walk-in times, it could cause appointment availability to extend out a little more. Colleen Savoie reported that a new Physicians Assistant will be starting in mid-March, which will help things run smoother and alleviate some of the concerns from employees. One HCC member reported that the issues we are experiencing now in transitioning from US Healthworks to the new CHC are much more manageable than when the School District switched from TVC to US Healthworks. She stated that she stands behind the decision that was made as a sound decision that will provide more positives than negatives to employees following the transition period.

- **Benefit Contacts Card**

Krista Lord provided a draft of the updated benefits contact card that will be going out to health plan members in the near future. It is a wallet-sized plastic card with a consolidated version of the various contact numbers, codes, websites, PPO information, etc. associated with our plan. A request was made to committee members to review the card and respond with changes or feedback by Friday.

III. Old Business

- **Health insurance cards update**

Temporary cards have been issued to all health insurance members, and templates are on file in HR in benefits if anyone needs to request additional copies. Regular insurance cards are being mailed to employees by February 28th.

IV. Adjourn

Motion: Adjourn HCC meeting

Moved: David DeVaughn

Second: Barbara Sperl

All in Favor - Motion Passes

Meeting was adjourned by Krista Lord at 2:30 PM.

Upcoming Meeting Schedule:

March 21, 2017

1:30 – 3:30 PM

Room 341

April 25, 2017

1:30 – 3:30 PM

Room 341