



# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

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

www.k12northstar.org



## **Health Care Committee Meeting**

### **Minutes**

August 29, 2017

**Administrative Center**

**Location: Room 341**

1:30 PM to 3:30 PM

#### **Health Care Committee Members:**

##### **Superintendent Appointed Reps:**

Wendy Tisland, HR (Chair) -absent  
Lisa Pearce, CFO, Admin Svs.  
Heather Heineken, Director, Admin Svs. (phone)

##### **FEA Reps:**

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

##### **ESSA Reps:**

Jasmine Adkins-Brown, Technology  
Irene Matheis, ESSA President  
Christopher Rose, Technology  
-absent

##### **FPA Rep:**

Barbara Sperl, CRW  
Alt - Kate LaPlaunt, PLC-absent

##### **FNSB Risk Manager (Non-Voting):**

Tony Shumate

##### **Staff Support:**

Terri Cothren, Benefits Coordinator, HR  
Sara McBride, Benefits Assistant, HR  
Colleen Savoie, Health Care Consultant, Parker, Smith & Feek  
Sarah Brown, Health Care Consultant, Parker, Smith & Feek  
Nicole Herbert, Accounting

#### **I. Call to Order/Introductions/Reports**

Meeting was called to order at 1:32 PM by Tony Shumate

- **Approve minutes**

Motion: To approve minutes from April 25<sup>th</sup> meeting with agreed upon spelling corrections

(Discussion)- Old business item on agenda removed

Moved: Irene Matheis

Second: Lisa Pearce

All in Favor – Motion Passes

- **Claims Experience Report Y-TD**

Sarah Brown reviewed the claims summary status report-please see attachment

(Discussion)- Parker, Smith & Feek will inquire about CHC's ability to perform X-Rays on children.

#### **II. New Business**

- **Renalogic CKD Program presentation and proposal (Brian via telephone at 2:00 PM)**

Motion: to bundle CKD program with current Renalogic program

Moved: Lisa Pearce

Second: Irene Matheis

(Discussion)- Jasmine wants to table until updated numbers are provided from presentation.

Motion: table vote to bundle CKD program with current Renalogic program

Moved: Jasmine Adkins-Brown

Second: Dave DeVaughn

4 in Favor

Motion Failed

Returned to motion: to vote on bundling Renalogic program

3 in Favor

Motion Failed

Motion: Revisit Renalogic discussion at October HCC meeting  
Moved: David DeVaughn  
Second: Jasmine Adkins-Brown  
6 in Favor  
Motion Passes

- **Financials**

Lisa stated that the query used to pull the numbers was inaccurate and Financials will be provided in the October meeting.

- **WPAS letters for processing errors with deductibles and OOP limits**

Tony briefed the HHC on letters sent out by WPAS to affected members of Plan B.

- **Health Fair volunteers**

Terri asked for volunteers for the 2017 health fair events. Those interested are asked to contact Terri individually.

- **Introduction of Benefit Assistant**

Sara McBride was introduced as the new Benefits Assistant.

III. **Old Business**

- ~~Tabled discussion — Motion to suspend the benefit plans deductible increases scheduled to happen in 2018/2019~~

IV. **Adjourn**

Meeting was adjourned at 3:06.

**Upcoming Meeting Schedule:**

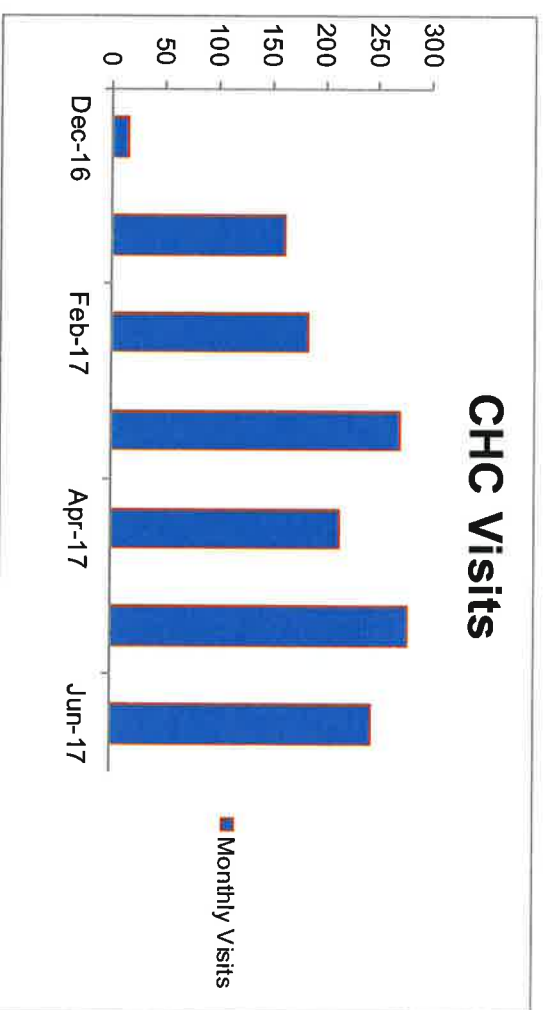
October 10, 2017 1:30 – 3:30, Rm 341, ADC Building



# CHC Utilization

The Fairbanks Coalition Health Center opened in December 2016. Utilization continues to increase in 2017.

CHC	Monthly Visits
Dec-16	15
Jan-17	161
Feb-17	184
Mar-17	269
Apr-17	214
May-17	278
Jun-17	244





# Program Summary

**BridgeHealth**

	Completed Surgeries	Program Cost*	Net Savings
4/1/16 - 12/31/16	5	\$27,991	\$112,134
1/1/17 - 7/31/17	10	\$330,923	\$394,227

\*Cost does not include the \$1.75 PEPM fee to BridgeHealth and HCCMCA

**Teladoc**

	Consultations	Total Net Claim Savings*
4/1/16 - 12/31/16	65	\$8,452
1/1/17 - 6/30/17	130	\$18,273

\*Compared to average industry cost for physicians, urgent care, or emergency room

**Renalogic**

	Billed Charges	Program Cost	Total Savings	Net Savings	Percent Savings
4/1/16 - 12/31/16	\$535,030	\$48,881	\$486,149	\$437,268	82%
1/1/17 - 6/30/17	\$1,792,516	\$138,980	\$1,653,536	\$1,514,556	84%



# PPO Summary

## PPO Savings

1/1/05 - 12/31/05	<i>PPO Savings</i>
*1/1/06 - 12/30/06	\$904,596
*1/1/07 - 12/31/07	\$936,464
*1/1/08 - 12/31/08	\$791,601
*1/1/09 - 12/31/09	\$438,392
*1/1/10 - 12/31/10	\$1,444,221
*1/1/11 - 12/31/11	\$1,824,521
*1/1/12 - 12/13/12	\$2,169,588
*1/1/13 - 12/31/13	\$2,403,498
*1/1/14 - 12/31/14	\$2,988,359
*1/1/15 - 12/31/15	\$3,796,791
*1/1/16 - 12/31/16	\$7,143,935
*1/1/17 - 6/30/17	\$6,727,570
	\$3,997,805

\*Savings data provided by Aetna, BeechStreet, and WPAS.



## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

# Hospital PPO Summary

## Fairbanks North Star Borough School District Alaska Regional Hospital

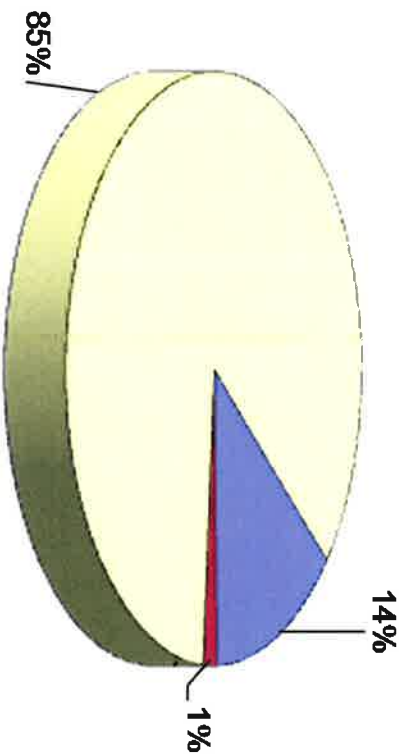
	Hospital Charges	Charges Less Discount	PPO Savings
1/1/03 - 12/31/03	\$1,669,223	\$779,606	\$889,617
1/1/04 - 12/31/04	\$712,420	\$245,981	\$466,439
1/1/05 - 12/31/05	\$1,014,192	\$365,078	\$649,114
1/1/06 - 12/31/06	\$1,819,439	\$892,803	\$926,636
1/1/07 - 12/31/07	\$1,802,406	\$1,019,870	\$782,537
1/1/08 - 12/31/08	\$1,824,239	\$881,961	\$942,278
1/1/09 - 12/31/09	\$1,782,271	\$854,384	\$927,886
1/1/10 - 12/31/10	\$1,594,602	\$775,387	\$819,215
1/1/11 - 12/31/11	\$2,733,942	\$1,064,016	\$1,669,926
1/1/12 - 12/31/12	\$2,394,815	\$1,107,844	\$1,286,971
1/1/13 - 12/31/13	\$1,229,234	\$590,498	\$638,736
1/1/14 - 12/31/14	\$628,405	\$343,994	\$284,411
1/1/15 - 12/31/15	\$3,006,785	\$1,138,446	\$1,868,338
1/1/16 - 12/31/16	\$1,620,888	\$723,736	\$897,152
1/1/17 - 3/31/17	\$376,315	\$174,311	\$202,004
<b>Total</b>	<b>\$24,209,175</b>	<b>\$10,957,916</b>	<b>\$13,251,259</b>

Savings were provided by WPAS.



## SD Prescription Drug Summary 7/16 – 6/17

### Brand vs. Generic 2016/17 Fiscal Year-to-Date



- Brand-Name Drugs
- Brand-Name Drugs with generic available
- Generic

	Avg. Cost	Paid	EE Paid
Brand	\$443.01	\$398.87	\$44.14
Generic	\$33.44	\$28.87	\$4.57

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 35%. The average cost of generic drugs decreased by 5%.



## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

# SD Prescription Drug Summary 7/16 – 6/17

Compared to the 2015/16 Fiscal Year, the number of prescription drugs purchased decreased by 8%.  
The cost per claim increased by 16%.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Claims Processed	46,984	47,953	47,436	47,674	46,724	43,174
Amount Paid	\$2,991,351	\$3,067,359	\$3,239,917	\$3,526,786	\$3,414,784	\$3,664,720
Cost per Claim	\$63.67	\$63.97	\$68.30	\$73.98	\$73.08	\$84.88
Cost/EE/Mo.	\$143.70	\$145.95	\$157.28	\$174.26	\$177.47	\$195.89

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





## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

### School District Large Claims 7/16 - 6/17

School District	2011-2012		2012-2013		2013-2014		2014-2015		2015-2016		2016-2017	
	#	Total Paid	#	Total Paid	#	Total Paid	#	Total Paid	#	Total Paid	#	Total Paid
\$20,000 - \$50,000	165	\$4,912,294	190	\$5,803,233	183	\$5,473,952	185	\$5,699,366	198	\$6,009,942	192	\$5,919,906
\$50,000 - \$100,000	68	\$4,624,082	56	\$3,812,478	54	\$3,936,601	48	\$3,288,311	63	\$4,389,551	59	\$4,180,358
\$100,000 - \$150,000	12	\$1,482,261	15	\$1,764,612	18	\$2,060,733	20	\$2,380,318	11	\$1,410,030	14	\$1,727,998
\$150,000 - \$200,000	6	\$1,004,049	4	\$642,644	7	\$1,196,982	7	\$1,184,758	9	\$1,598,997	6	\$1,116,541
\$200,000 - \$250,000	6	\$1,291,877	2	\$488,019	4	\$884,057	3	\$687,159	4	\$877,650	3	\$627,648
\$250,000 - \$325,000	4	\$1,058,347	4	\$1,119,799	2	\$564,736	2	\$521,836	3	\$887,948	6	\$1,707,561
\$325,000+	2	\$758,049	6	\$3,953,971	4	\$3,047,144	11	\$5,571,744	7	\$4,031,063	2	\$765,782
Total	263	\$15,130,959	277	\$17,584,756	272	\$17,164,205	276	\$19,333,492	295	\$19,205,181	282	\$16,045,794

The School District has paid \$16,045,794 on behalf of 282 claimants during the 2016/17 fiscal year. We observed \$19,205,181 paid in large claims on behalf of 295 claimants during the 2015/16 fiscal year.

Effective July 1, 2016, the School District increased the stop loss deductible to \$400,000. One claimant exceeded this deductible.



Fairbanks North Star Borough School District

## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

# School District Claims Summary 7/16 – 6/17



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	16/17 Total	Avg/ee/mo
Plan A	\$2,866,888	\$2,782,295	\$2,110,556	\$2,786,391	\$1,725,471	\$2,599,868	\$2,560,933	\$2,713,077	\$1,769,435	\$2,030,965	\$2,267,543	\$1,812,418	\$28,025,843	\$2,069
Plan B	\$147,742	\$234,938	\$108,732	\$178,227	\$131,751	\$407,140	\$143,249	\$136,631	\$88,202	\$134,479	\$94,926	\$94,184	\$1,900,203	\$688
Plan C	N/A	N/A	N/A	N/A	N/A	N/A	\$56,418	\$76,134	\$87,918	\$239,872	\$341,570	\$252,231	\$1,054,145	\$436
D/V/A only	N/A	N/A	N/A	N/A	N/A	N/A	\$0	\$148	\$383	\$334	\$370	\$767	\$2,002	N/A
Total	\$3,014,630	\$3,017,234	\$2,219,288	\$2,964,619	\$1,857,223	\$3,007,008	\$2,760,600	\$2,925,991	\$1,945,556	\$2,405,316	\$2,704,040	\$2,158,833	\$30,980,338	\$1,655



# School District Claims Summary

## 7/15 – 6/16

### Previous Year Comparison

	Medical	Rx	Dental	Vision	Total Claims	# of Cov EE's
Jul-15	\$2,146,717	\$292,070	\$237,455	\$42,409	\$2,718,651	1,597
Aug-15	\$2,517,281	\$249,532	\$281,360	\$56,973	\$3,105,146	1,596
Sep-15	\$2,123,207	\$262,473	\$317,645	\$48,422	\$2,751,747	1,569
Oct-15	\$3,419,646	\$308,971	\$184,558	\$42,604	\$3,955,779	1,589
Nov-15	\$1,414,249	\$280,519	\$197,184	\$24,639	\$1,916,591	1,597
Dec-15	\$1,298,019	\$320,091	\$189,703	\$20,663	\$1,828,476	1,604
Jan-16	\$2,802,433	\$268,831	\$241,544	\$58,372	\$3,371,180	1,615
Feb-16	\$2,120,293	\$295,949	\$231,637	\$55,899	\$2,703,778	1,617
Mar-16	\$3,393,382	\$320,291	\$280,432	\$33,269	\$4,027,374	1,617
Apr-16	\$3,023,696	\$296,213	\$231,763	\$27,443	\$3,579,115	1,617
May-16	\$2,256,502	\$256,993	\$222,431	\$31,431	\$2,767,357	1,615
Jun-16	\$2,366,646	\$262,852	\$250,248	\$24,201	\$2,903,947	1,608
YTD	\$28,882,071	\$3,414,785	\$2,865,960	\$466,325	\$35,629,141	19,241
per/cov. ee/mo	\$1,501	\$177	\$149	\$24	\$1,852	1,603



## FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

# School District Claims Summary

## 7/16 – 6/17

## School District Paid Claims

	Medical	Rx	Dental	Vision	Total Claims	# of Cov EE's
Jul-16	\$2,477,660	\$278,894	\$229,101	\$28,974	\$3,014,630	1,573
Aug-16	\$2,422,796	\$275,175	\$275,247	\$44,016	\$3,017,234	1,603
Sep-16	\$1,740,396	\$290,593	\$161,432	\$26,867	\$2,219,288	1,526
Oct-16	\$2,426,199	\$277,201	\$230,781	\$30,437	\$2,964,619	1,537
Nov-16	\$1,311,248	\$342,277	\$173,184	\$30,513	\$1,857,223	1,543
Dec-16	\$2,435,492	\$347,431	\$189,203	\$34,883	\$3,007,008	1,551
Jan-17	\$2,160,932	\$306,657	\$257,651	\$35,360	\$2,760,600	1,563
Feb-17	\$2,378,242	\$305,442	\$218,823	\$23,336	\$2,925,843	1,557
Mar-17	\$1,399,287	\$335,499	\$188,637	\$22,134	\$1,945,556	1,573
Apr-17	\$1,906,416	\$262,783	\$210,722	\$25,395	\$2,405,316	1,575
May-17	\$2,155,117	\$311,368	\$207,270	\$30,285	\$2,704,040	1,563
Jun-17	\$1,571,775	\$331,399	\$225,444	\$30,216	\$2,158,833	1,558
YTD	\$24,385,559	\$3,664,720	\$2,567,495	\$362,417	\$30,980,190	18,722
per/cov. ee/mo	\$1,303	\$196	\$137	\$19	\$1,655	1,560



## School District Claims Summary 7/16 – 6/17

### FY 2016/17

Paid claims for the 2016/2017 fiscal year are shown on page 4.

For the fiscal year, the School District paid claims of approximately \$30,980,190 or \$1,655 per covered employee per month. This is a 13% decrease in total claim costs, and an 11% decrease in average monthly claims cost per employee during 2015/16 year (\$1,852).

On a per covered employee basis, medical claims decreased 13%, dental claims decreased by 8%, prescription claims increased by 10%, and vision claims decreased 20%. The total number of covered employees decreased by 3%.

Approximately \$16,045,794 has been paid in large claims (over \$20,000) on behalf of 282 claimants during the 2016/17 fiscal year. This represents a 16% decrease in dollars paid and thirteen fewer large claimants than the prior fiscal year to date.

Compared to the 2015/16 Fiscal Year, the number of prescription drugs purchased decreased by 8%. The cost per claim increased by 16%.



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FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

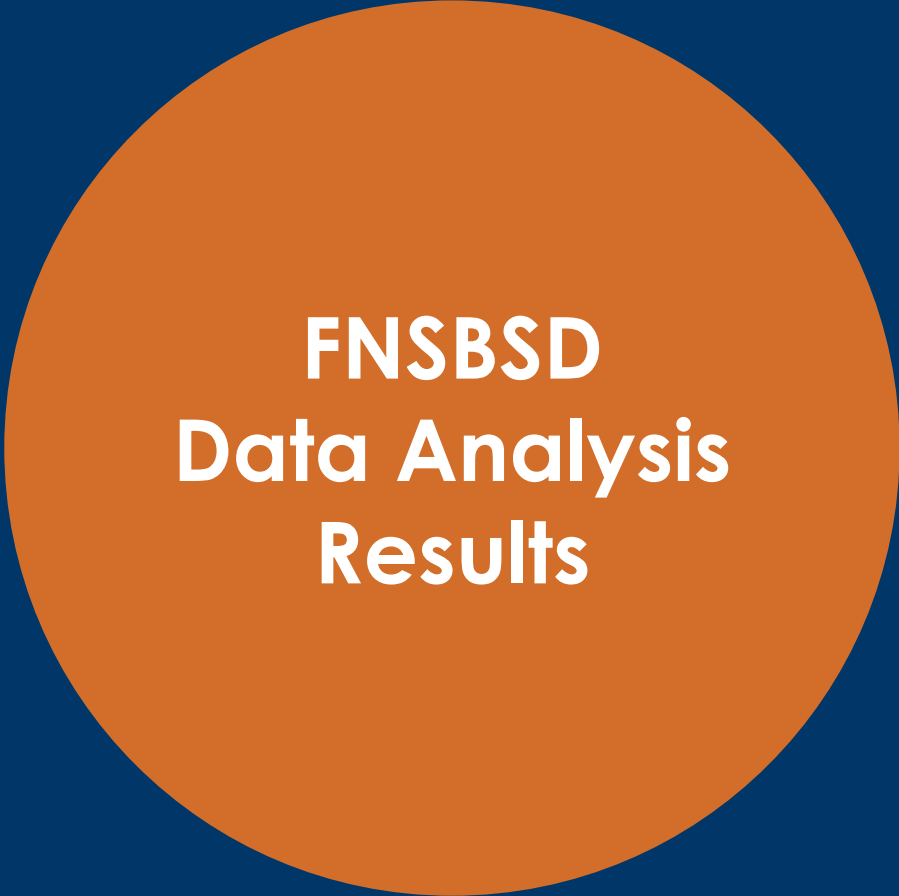
# Fairbanks North Star Borough School District

## Status Report

August 29, 2017



This report may contain information that is confidential or privileged. Any dissemination, distribution or copying without written permission of Parker, Smith & Feeck is prohibited.



# **FNSBSD Data Analysis Results**



# At Risk Members Report

**Purpose:** Identify members at risk of developing high cost ESRD treatments.

**Used for:** Reducing future ESRD costs through pro-active, preventative CKD management.

Client		Paid Amounts of Dates of service 01/01/2016 to 12/31/2016
Member Group	Adult Quantity	Definition
Program Core	54	<ul style="list-style-type: none"> <li>• CKD or related kidney diagnosis observed</li> <li>• Kidney impairment procedures observed</li> <li>• CKD or related kidney diagnosis <u>plus</u> at risk comorbid condition(s)</li> </ul>
High Risk Silent	233	<ul style="list-style-type: none"> <li>• <i>Three or more</i> comorbid conditions highly associated with CKD; CKD diagnosis / procedures have <u>not yet</u> occurred.</li> </ul>
Moderate Risk Silent	122	<ul style="list-style-type: none"> <li>• <i>Two</i> comorbid conditions highly associated with CKD; CKD diagnosis / procedures have <u>not yet</u> occurred.</li> </ul>
Low Risk	2515	<ul style="list-style-type: none"> <li>▪ Members who do not trigger the CKD algorithm and are used as a comparison baseline.</li> </ul>

# Annual Medical Billed Amount by Risk Group

**Dates:** Based on claims data range – 01/01/2016 to 12/31/2016

Risk Category	Adult Members Identified	% of Membership	Total Amount Billed	Average Billed/M	vs. Low Risk
Program Core	54	2%	\$2,148,078	\$39,779	208%
High Risk Silent	233	9%	\$4,175,363	\$17,920	361%
Moderate Risk Silent	122	4%	\$1,507,591	\$12,357	249%
<b>Total At-Risk Members</b>	<b>409</b>	<b>15%</b>	<b>\$7,831,032</b>	<b>\$19,146</b>	<b>386%</b>
Low Risk	2515	85%	\$12,483,845	\$4,963	100%
<b>Total Adult Population</b>	<b>2924</b>	<b>100.00%</b>	<b>\$20,314,879</b>	<b>\$6,947</b>	

**85%** of the population  
incurred billed charges of  
\$12,483,845

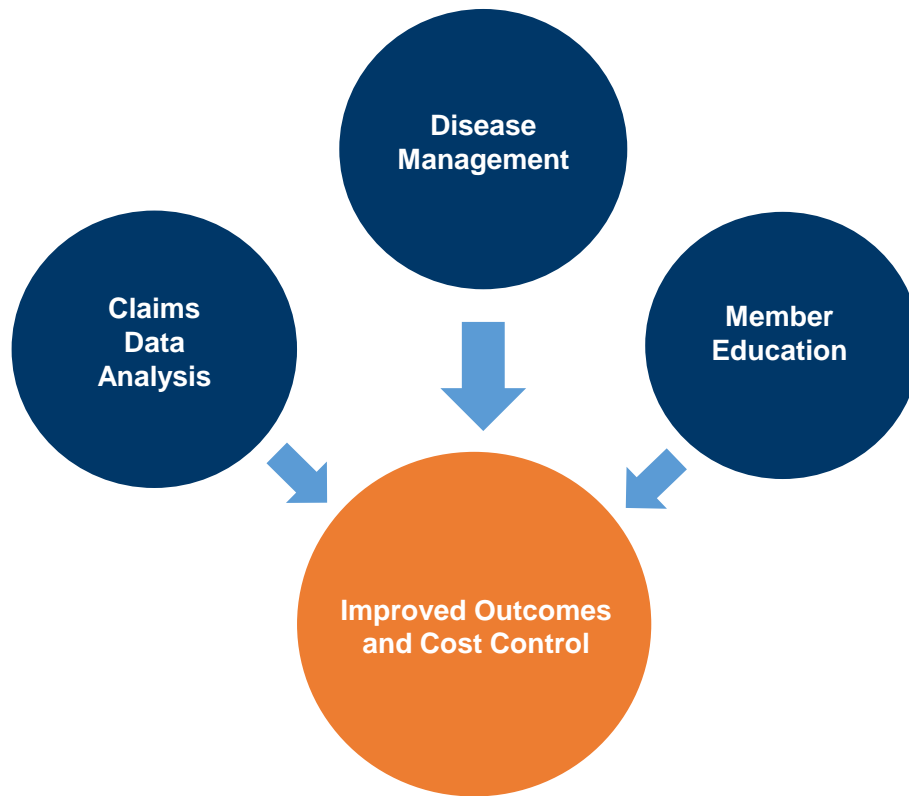
But, **15%** of the  
population incurred billed  
charges of  
**\$ 7,831,032**

# Known ESRD & Chronic Kidney Disease within CORE population

<b>DX</b>	<b>Identified</b>	<b>Dialysis</b>	<b>Transplant</b>
<b>ESRD</b>	<b>4</b>	<b>4</b>	<b>1</b>
<b>Stage 5</b>	<b>0</b>		
<b>Access</b>	<b>0</b>		
<b>Stage 4</b>	<b>0</b>		

<b>DX</b>	<b>Identified</b>	<b>Dialysis</b>	<b>Transplant</b>
<b>Stage 3</b>	<b>7</b>		
<b>AKF Unspec.</b>	<b>10</b>		
<b>CKD Unspec.</b>	<b>5</b>		
<b>Anemia in CKD</b>	<b>0</b>		

# Renalogic's CKD Management Program



## Renalogic's CKD Management program provides:

- Close coordination with existing Case Management to provide targeted renal disease management;
- Personalized and targeted interventions customized to the individual patient's co-morbidities, diet, activity level, self-knowledge of their health conditions;
- Assistance in navigating the health care system;
- Tools aligned with preventative care for improving lifestyle;
- Monitors compliance with medications, diet, activity levels;
- Avoidance of emergent start dialysis.

# Education on Home Modalities, Early Transplant & Medicare Part B

## Medicare Part B

- Protects patient from balance billing
- Ensures Medicare becomes primary after 30/33 months

## Home dialysis advantages

- Home dialysis is closer to natural kidney function
- Allows for more normal lifestyle
  - Normal diet
  - Patients can dialyze at night
- Can minimize absenteeism
- Most ESRD patients are eligible but not educated on advantages

## Early Transplant

- Increases success rate if patient can transplant prior to dialysis
- Familiar donor option
- Typically results in cost savings to the plan



# CKD Management Program Value

- ✓ A very large component of our program is our ability to use our analytics to identify your future high cost members before they become your most expensive members.
- ✓ These are members that are on the Chronic Kidney disease path and if left alone will likely end up in dialysis.
- ✓ Along the way they are also disproportionate users of emergency room visits, inpatient hospital stays and usually have uncontrolled comorbid conditions that ultimately cost the plan a great deal of money.
- ✓ Although it is not possible to attribute hard dollar savings to this group, as they are not currently showing extremely high medical spend; Renalogic's program will keep these members from becoming your next round of highest utilization and highest spend members.
- ✓ The ability to significantly reduce or eliminate these future claims enables our clients to reduce their year over year medical spend.
  - ✓ One dialysis patient, even with our cost containment in place, can cost the plan over \$200,000 per year.
  - ✓ One emergent start dialysis with an inpatient stay can cost well over \$100,000.
  - ✓ One 5 – 6 day inpatient stay can cost over \$60,000.
- ✓ We know our predictive capability and proactive approach is a unique strength of our program that sets us apart from most traditional case and disease management programs.

# Pricing Overview

- ✓ One time engagement fee
- ✓ Flat monthly fee for participating members
- ✓ No charge for non-participating members
- ✓ Participating Member Fee will be reduced by half when members meet and maintain goals
- ✓ Renalogic will provide monthly reporting including improved outcomes and return on investment (ROI) results
- ✓ Renalogic will provide a 1:1 ROI guarantee for the first year of the program



# Projected Program Costs

Anticipated Program Cost	CORE	High Risk Silent	CORE & High Risk Silent
Total Number of Identified Members	54	233	287
Number of Estimated Participants (25% engagement rate)	13	58	71
Monthly PMF Cost (\$165.00 PMPM)	\$2,145	\$9,570	\$11,715
One Time Outreach Fee at 100% participation (\$50.00 per person)	\$650	\$2,900	\$3,550
Estimated 12 Month Program Cost with Outreach	\$26,390	\$117,740	\$144,130
Anticipated 12 month Dialysis Cost Containment Savings – 2 patients (\$5000 PM/PM fee vs. 12% of savings w/cap)	(\$78,288)	(\$78,288)	(\$78,288)
Estimated <u>Net</u> 12 month CKD Program Cost	(\$51,898)	\$39,492	\$65,842
Anticipated 1 <sup>st</sup> year Program Savings (Core & High Risk Silent)			\$110,000



## **Renalogic Program Features**

- Renalogic's program includes both avoided future costs and hard dollar savings from current high cost members
- We use hard dollar savings to guarantee the program ROI

## **Savings include:**

- Reduction in medical spend
  - ER visits
  - In-patient hospital stays

## **Renalogic Program ROI:**

- Renalogic guarantees it will save at a minimum the first year cost of the program projected at \$144,130
- Any costs that fail to exceed the guaranteed savings will be applied as a credit to the program cost in year two



## The Renalogic Guarantee

Renalogic guarantees a minimum of 1:1 return on investment in the first year of the program, but continued program savings and success can be realized year-over-year as a result of early screening, intervention and CKD management.



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