

# KPBSD Heath Care Committee

## Agenda

Meeting Date:	10/18/2012	Time:	2:45 PM	Location:	KPB Risk Management Office
Please Read:					
Please Bring:					

### Voting Members Present

Present	Terri Tidwell (HCPC Chair, KPESA)		Present	Matt Fischer (HCPC Secretary, KPEA)
Present	Patty Sirois (KPESA)		Present	Bruce Rife (Outgoing HCPC Chair, KPEA)
Present	Carl Locke (KPESA)		Absent	Terri Zopf-Schoessler (KPEA)
Present	Vaughn Dosko (KPAA)		Present	Mike Druce (KPEA)
<b>Quorum Present:</b>	<b>yes</b>			

### Administration and Consultants

Present	Tim Peterson (Plan Administrator)		Present	David Jones (Assistant Superintendent)
Present	Stacy Gorder (Employee Benefits Manager)		Present	Colleen Savoie (Parker-Smith-Feek Consultant)
Present	Laurie Olson (KPBSD Finance Director)			

### Guests


### I Open Meeting

Meeting Start Time:	2:57 PM	
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### II Approval of Agenda

X	Agenda Approved	
	Agenda approved with additions	

### III Reading and Approval of Minutes

X	8/13/12	Minutes approved	
	8/13/12	Minutes approved with corrections	

### IV Administration and Consultant Reports

<b>Tim Peterson</b> <b>Plan Administrator</b>	1) Cost savings - Wisconsin RX a. A) Total gross trend - Kenai from January –June 2011 was at 4.4%; January – June 2012 was at – 4.3% representing a 8.7% decrease. The Industry was at 2.5% for overall usage
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was at 4.9% representing a 0.7% decrease. The industry was at 2.9% for overall usage.

b. Changes made by the committee in October 2011 are starting to show –the co-payment amounts for prescriptions from 5/10/40 dollars to 5/25 50/100 dollars. That reflects generic, formulary, non-formulary and specialty drugs. KPBSD generic usage has gone up in 7 of the 10 categories. Generic dispensing rate change from 64% to 72.2%.

c. Proton Pump Inhibitors (Ulcer drugs) change to force generic usage has increased from 49.2% to 94.2%

2) Current Large Claims

a. Three (3) over 200K

b. Three(3) over 175K

c. Five (5) over 100K

3) Health Fair – October 6, 2012 – 178 participants took advantage of this opportunity for flu shots or blood panels - looking to increase those numbers next year

4) Calculation for employees double covered on the KPBSD health plan – 180 employees. We cannot calculate how many other people might have double coverage.

5) Currently 3.6 million in the health reserve account. The contribution rate of \$340 PEPM and the District amount of \$1115 PEPM generates \$1455 PEPM. Currently the plan is experiencing claims at \$1232.69 – My recommendation is to decrease the contribution amount for District and employees by \$50.

Action to be Taken	Responsible	Due Date

**Stacey Gorder**  
**KPBSD Health Benefits Manager**

No Report

Action to be Taken	Responsible	Due Date

**Laurie Olson**  
**KPBSD Finance Director**

Current Reserve has been increased by the amount of excess contributions from FY12. As stated on the Addendum to June 30, 2102 Draft that was presented to the committee at the September 19, 2012 meeting, the amount is \$681,894.89, for a total reserve of \$3,603,192.55. That additional amount included a district contribution of \$16,375 for physicals and \$56,843.41 in interest income. The CAFR is in final review by the auditors and no material changes are expected. The CAFR will be presented to the school board at their November 12, 2012 meeting.

Action to be Taken	Responsible	Due Date
The committee requested that Laurie calculate the amount of reduction in the monthly contribution for employee and employer that would be realized by using \$600,000 of the reserve to offset costs in FY13.	Laurie	11/16/2012

**Colleen Savoie**  
**Parker-Smith-Feek Consultant**

Cost to change dental plan to 100/100/80 is with \$3000 limit is estimated at between \$900,000-\$1,000,000. With \$3000, 100/100/50 the estimate is \$500,000.

Action to be Taken	Responsible	Due Date

V	Action Items from Previous Meeting	Responsible	Due Date
1	Discrepancy between expected TPA fees and those on spreadsheet Memo to be forwarded by Tim P. to the committee	Tim P.	9/19/2012

2	Determining how many of the plan members have dual coverage, how many are we the primary vs. secondary, what would the impact be to the plan if we had a system similar to Anchorage where an employee was allowed to opt out if they had other coverage, and the district still made their contribution to the plan.	Colleen S. and Tim P.	10/18/2012
3	Research the cost of Dental Proposals	Colleen S.	10/18/2012
4			

XI	Unfinished Business	Presenter	Duration		
1	Increase in Dental Coverage	Matt Fischer			
Motion:	Increase dental coverage maximum to \$2,500 with an effective date of 1/1/2013.				
Made by:	Mike Druce			Seconded by:	Bruce Rife
Vote:	Yes 6			No 1	Vaughn Dosko
<b>Action to be Taken</b>				<b>Responsible</b>	<b>Due Date</b>
Update Policy				Tim Peterson	1/1/2013

XII	New Business	Presenter	Duration		
1	Health Fair wrap-up	Terri T			
Notes:	Health Fair was well attended				
2	Poster Change	Terri T			
Notes:	By contract language, an employee has a right to appeal an insurance decision to the Health Care Committee. Currently there is no language on the posters indicating this right.				
	Colleen stated the law limits the number of steps in an appeal process, she is not aware of whether the law allows the employee to ask for extra steps, such as committee review.				
Motion:	If the plan administrator fails to make a determination within 30 days the appeal will be forwarded to the Health Care Committee for review. If an appeal is denied by the plan administrator the employee may request a review by the Health Care Committee.				
Made by:	Patty S.			Seconded by:	Mike D.
Vote:	Yes 5			No 2	Terri T, and Vaughn D.
Amend ment to the Motion:	Add the language to the above motion that "Employee may decline Health Committee review and proceed directly to an external review."				

Made by:						Seconded by:						
Vote:	Yes	6				No	1	Carl L.				
<b>Action to be Taken</b>						<b>Responsible</b>			<b>Due Date</b>			
Check if there is anything in the law that does not allow an employee to choose extra levels in the appeal process.						Colleen S.			11/16/2012			

<b>3</b>	Lowering Premium										Vaughn D.				
<b>Notes:</b>	<p>Vaughn introduced a motion to decrease the district and employee copay by \$50 each.</p> <p>Tim P. in his comments stated this would cost about \$600,000 to the plan. Colleen S. corrected the number that the cost would be \$1.5 Million.</p> <p>Conversation focused on the confusion of cost of the reduction, whether is was based on full year, the remainder of the year, or how accounting would be able to handle this with 12 month employees.</p> <p>Vaughn suggested we say \$600,000 total to be split between the district and employees.</p> <p>Matt F. made a motion to Table Vaughn Dosko's motion.</p> <p>Dave Jones suggested we may need to suggest a set dollar amount instead of a per month amount.</p>														
<b>Motion:</b>	Lower Copay for employee and district by \$50 each.														
Made by:	Vaughn D.					Seconded by:	Bruce R.								
Vote:	Yes					No									
<b>Motion:</b>	Table Until 11/16/12														
Made by:	Matt F.					Seconded by:	Carl L.								
Vote:	Yes	5				No	2		Vaughn, Bruce						
<b>Motion:</b>															
Made by:						Seconded by:									
Vote:	Yes					No									
<b>Action to be Taken</b>						<b>Responsible</b>			<b>Due Date</b>						
<b>Estimate of \$50/\$50 and how it will work for accounting</b>						<b>Laurie O.</b>			<b>41229</b>						

<b>XIII</b>	<b>Next Meeting</b>														
Date:	11/16/2012					Risk Management Office									

<b>IV</b>	<b>Adjournment</b>														
<b>Motion:</b>	To Adjourn														
Made by:	Carl L.					Seconded by:	Patty S.								
Vote:	Yes	7				No	0								