

ST. LOUIS COUNTY  
HEALTH INSURANCE COMMITTEE

The St. Louis County Health Insurance Committee met on Wednesday, September 20, 2017 at 9:00 a.m. in the County Board Conference Room. The meeting was called to order by Don Dicklich, Committee Co-Chair.

Members Present:	Angie Mattsen	Kay Lokken
	Don Dicklich	Gordy Halverson
	Heather Ninefeldt	Tom Stanley
	Jim Gottschald	Mark Rubin
	Lori Ulvi	Alicia Carrillo
	Nancy Hintsa	Marsha Ness
	Dave Rolland	Kevin Gray

Others Present:	Jeff Coenen	Kelly Petkovsek
	Beth Menor	Dave Kuschel

The February, May & July minutes were approved by consensus.

PRESENTATIONS

1. The first item from the agenda was the 2018 dental premium rate. Ms. Petkovsek of Delta Dental provided the annual Healthentic report and a renewal projection for 2018. She highlighted the following from her handouts:
  - Claims were projected to be \$1,131,661 in 2018.
  - Claims were \$66,000 higher in prior twelve months as compared to the twelve months prior to that.
  - Crowns had the largest increase in spend and preventive services had the next largest increase followed by bridges and implants.
  - The plan added 44 employees ( a 1.8% increase)
  - The economic recovery has led to an increase in claims industry-wide.
  - The Behavior Analytics report included covered and non-covered dental services
  - The plan members' behavior patterns were as follows:
    - 35% Healthy – preventive only dental services
    - 24% Moderate – preventive plus something minor
    - 21% Serious – gaps in care
    - 20% No visits- 12 months of coverage and no claims
    - 178 employees had no visits in two years
  - There was not much change in behavior this year over last.
  - Diabetes and periodontal disease are related causative and also related to cardiac health issues.
  - Members who have regular oral exams cost the plan \$316 less than those who skip exams.

Discussion ensued regarding the adequacy of the plan coverage and the lack of rural dentists in Minnesota. Ms. Petkovsek shared that the \$1500 annual cap in the County's plan is among the higher caps in her book of business and that over all of Delta's business about 2% of members reach the cap. The more common practice among dental groups was to cover 50% on major services where the County's plan covers 80%. Ms. Petkovsek agreed to report back with rates for orthodontia coverage, the percent of our members that reach the \$1,500 cap and how many similar Delta plans have a cap higher than \$1500.

Discussion turned to the recommended rate. Discussion points revolved around last year's rate increase, trend factors, the above average age of our members, and the preference for slow and steady changes in rates. Consensus was achieved on a recommended 2.5% increase to the employee dental rate.

2. The next item from the agenda was the recommended medical premium rate. Mr. Kuschel of BlueCross and BlueShield of Minnesota (BCBSM) reviewed the updated renewal which was based on the 2018 benefit design that included the most recent 24 months of data broken into two 12 month periods. Medical trend was 7.4% in the more recent time period one and 7.3% in time period two. The proposed administrative fee increased by 5% to \$37.39 per contract per month and the proposed stop loss rate increased by 13.7% to \$10.05 per contract per month. The expected claims for 2018 were \$34,154,428. The recommended change in rates was +1.7%. Mr. Kuschel noted the following from the renewal:

- The 1.7% recommended change in rates was down from the 3.4% recommendation in the July pre-renewal.
- 75% of the data in the BCBS renewal was prior to the tiered benefit design
- Provider savings decreased by almost \$1 million between time period 2 and time period 1.
- BCBS customizes the plan because St. Louis County was a large and important client for them.
- BCBS included deep discounts on the actuarial formula for stop loss coverage and administration fees.

Mr. Dicklich provided the Auditor's Financial Report. He stated that the trend continues to improve. The projected year-end fund balance of \$6,807,611, an increase of approximately \$1 million since the July meeting.

Discussion ensued regarding the recommended medical rate. Discussion points included the recent positive trend, the County's limited levy, the recent employee health premium increases, the continued pipeline of high-cost prescription drugs, the infancy of the trend under the tiered plan design, the unexpected and steep decreases to the fund balance in 2015 and 2016, the need to rebuild the fund

balance, and the appropriate target number for the fund balance. The Committee did not arrive at consensus with a medical rate but the majority of members supported 8%. Member recommendations ranged from 0-10%. Mr. Gottschald added that under an 8% rate increase, employees with single coverage would have the recently negotiated \$10/month increase and no more. Employees with family coverage would see a \$27-\$36/month increase which includes the recently negotiated \$10/month increase.

3. The next item from the agenda was renewal action on National Diabetes Prevention Program (a.k.a. Omada) for the 2018 plan year. Ms. Menor provided a report of Omada participation and results. She reported that the results continue to be positive but the average weight loss has tapered off some most likely because members lose their support group when the year-long program ends. They do however, forever gain the education. Ms. Menor also reported that both the May and August promotional campaigns added another 50 members to the program each. She also reported numerous positive feedback from employees about the program. Ms. Lokken testified to the benefits of having an online program in remote areas where there are no other options. Mr. Kuschel quoted the cost of the program at 0.8% of claims. The per member fee ranges from \$150-\$700 depending upon how much of the program the employee completes and the employee's weight loss results. The committee agreed by consensus to continue NDPP for the 2018 plan year.

### OLD BUSINESS

4. The next item from the agenda was the unfunded premium portion. The committee agreed by consensus to table this agenda item to the next meeting.
5. The next item from the agenda was the change in pharmacy networks that Ms. Vetscher of Prime Therapeutics presented on at the previous meeting. Discussion points included the projected 2.2% savings in pharmacy spend, the average 1.8 additional miles rural members would need to travel to find an in-network pharmacy, and the low disruption given that across the street from almost every CVS there is a Walgreens (the current low-cost provider). Mr. Stanley suggested directing members to the Essential Network pharmacies so there would be little disruption should the plan move to this more restrictive network in the future. The Committee agreed by consensus to move from the Select Network to the Classic Network.

### NEW & OTHER BUSINESS

With no further business the meeting was adjourned.