ST. LOUIS COUNTY
HEALTH INSURANCE COMMITTEE

The St. Louis County Health Insurance Committee met on Wednesday, October 18, 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	Connie Westlund
	Don Dicklich	Gordy Halverson
	Heather Ninefeldt	Tom Stanley
	Jim Gottschald	Mary Jo Tomsich
	Lori Ulvi	Kevin Gray
	Nancy Hintsa	Alicia Carrillo

Others Present:	Jeff Coenen	Kelly Petkovsek
	Beth Menor	Dave Kuschel
	Kay Lokken	Tiffany Kari
	Kim Hoffmockel	

The September minutes were approved by consensus with the following two changes:

- In section five, the word “directly” was replaced with “directing”.
- In section two the following was added: Members discussed possibilities which ranged from 0-10%. A majority of members supported 8% as a reasonable increase.

OLD BUSINESS

1. The first item from the agenda was the unfunded premium portion. Mr. Stanley asked for the amount of the unfunded premium that resulted from collective bargaining. Mr. Gottschald reported that the unfunded total in 2017 was estimated to be slightly under $800,000 and he projected a similar amount for 2018. Mr. Gottschald suggested that Human Resources bring a projection of the following year’s unfunded amount to all future December Committee meetings. He added that the 2017 unfunded amount was projected to be $1.2 million prior to the last round of bargaining when labor agreed to a $10 per month decrease to the unfunded amount resulting in approximately $400,000 in additional revenues.

2. The next item from the agenda was orthodontia coverage. Ms. Petkovsek of Delta Dental reported that the option of adding orthodontia coverage applied only to the fully-insured dependent dental plan (not the employee dental plan). The coverage option was a $1,200 lifetime maximum on orthodontia coverage for children ages 8-18. The dependent plan had 474 members; 312 of them had children covered. The additional coverage required a 12.5% actuarial increase in rates, but Delta Dental’s underwriters offered a 9.81% increase to rates on a two-year rate guarantee (2018 & 2019). The plan had not experienced a rate increase since 2009 and the spouse-only rate would not be subject to the increase as spouses would not be eligible for orthodontia coverage. Orthodontia would be included in the list of dental

services which require a 12 month waiting period, but those members who had already been enrolled in the plan for at least 12 months would not be subject to any additional waiting periods. Lastly, Ms. Petkovsek reported 13 providers and 20 clinics within 100 miles of Duluth (including several on the Iron Range) that were in-network.

Ms. Menor shared the results of an employee survey on orthodontia coverage. She tallied 385 respondents. Having a child under the age of 26 was a qualifier to be a respondent. Ms. Menor reported that 205 (54%) respondents were already enrolled in the dependent dental plan and 66% of them indicated they would like to have orthodontia coverage added. Of the remaining unenrolled respondents, 29% wanted orthodontia coverage added, 41% did not and another 30% were undecided. A total employee count who wanted orthodontia coverage was 179 and another 51 were "maybes". Two-thirds of those who were already enrolled in dependent dental took the survey. Ms. Lokken cautioned that some who responded in the negative could drop dependent dental coverage given the added cost of orthodontia coverage, especially if they would not benefit. Mr. Gottschald requested from Delta the amount of in-network provider discounting as another factor to consider.

The Committee members expressed interest in seeking feedback from their respective memberships prior to adopting orthodontia coverage. The Committee agreed by consensus to revisit the topic in 2018 for possible adoption in the 2019 plan year.

Ms. Petkovsek responded to some dental questions she researched that were posed at the prior month's meeting. She reported that 124 or 4.7% of employees hit the $1,500 maximum dental benefit in 2016, 116 or 4.5% of employees hit the cap in 2015 and 76 or 2.9% of employees hit the cap between January and August of this year. She also reported that Delta does not track which groups have a $1,500 max.

NEW BUSINESS

3. The next item from the agenda was action on flu vaccination funding. Discussion ensued around the costs of the vaccination at onsite clinics as compared to doctor's offices and/or retail pharmacies where Mr. Gottschald reported a negligible difference and on the convenience and adherence benefits of onsite clinics. Ms. Menor reported that the Committee authorized up to $35,000 last year. The Committee agreed by consensus to approve the same for the current flu season.

   The next item from the agenda was an update on the Wellness program. Ms. Kari reported 905 enrollees year-to-date (YTD) in 2017. She announced the upcoming Health and Benefit's Fair and Biometric screenings. Discussion ensued on ways to promote the wellness program in remote work areas. Suggestions included engaging Public Works timekeepers and supervisors, combining flu vaccinations with the biometric screenings, and invites for Ms. Kari or Ms. Menor to visit those worksites.

4. The next item from the agenda was the Claims Drivers report. Ms. Menor provided copies of the report. She noted that the Utilization by Plan Paid had had little change but the good news was the year-to-date $569 per member per month (PMPM) was flat when compared to last year which ended at $571 PMPM. Next, Ms. Menor reported one heart disease and numerous cancer cases in the high case report. The highest case was a child who had incurred $353,000 YTD; well below the $750,000 stop loss threshold. The top 10 provider graph was mainly unchanged which was to be expected since Essentia remained as the plan's most utilized provider given its size and tier 1 status. Mr. Dicklich expressed interest in seeing how the Inpatient/Outpatient graph changed over time. Lastly, Ms. Menor cited auto-immune, cancer, and asthma/COPD as the top three therapeutic classes for drug spend.

5. The next item from the agenda was the Auditor's financial report. Mr. Dicklich provided copies of the health fund estimate as of 9/30/2017. He reported a significant change to the fund growth from the prior meeting where fund growth was projected to be $839,522. The fund was now projected to grow by $1,423,178 over the 2016 year-end balance to $7,391,267.

<u>OTHER BUSINESS</u>

6. The first and only item brought up under Other Business was a question posed by Ms. Hoffmockel on how the Committee would like to receive employee input on how the wellness program should be funded. Discussion ensued and clarification was provided that since 2011, the wellness program had been funded by the health fund since 2011 where approximately 15% of revenues come from employees and 85% come from the employer. Also discussed were the challenges of communicating information to a large employee membership that is scattered across all of St. Louis County. Ms. Menor called attention to a two page ad in the 4th quarter catalog regarding travel classes about benefits and wellness. She and Mr. Gottschald encouraged members to invite them or Ms. Kari to visit their worksites with these educational opportunities. Mr. Gray added that the best avenue would be for members to contact their representative on the Committee with their input but that any member would always be welcome to address the Committee at any Committee meeting.

With no further business the meeting was adjourned.

Respectfully submitted,

Beth J. Menor

Beth J. Menor, Senior Benefits Advisor