

ST. LOUIS COUNTY
HEALTH INSURANCE COMMITTEE

The St. Louis County Health Insurance Committee met on Wednesday, May 16, 2018 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	Lori Ulvi
	Heather Ninfeldt	Tom Stanley
	Jim Gottschald	Alicia Carrillo
	Connie Westlund	Nancy Hintsa
	Jolene Jamnick	Don Dicklich
	Mark Rubin	Tom Hdrava for Gordy Halverson

Others Present:	Jeff Coenen	Tiffany Kari
	Beth Menor	Kay Lokken
	Dave Kuschel	

The February minutes were approved by consensus with no requested changes.

PRESENTATIONS

1. The first item from the agenda was the 2017 Healthcare Insights Report presented by Mr. Kuschel. He provided written copies of an analysis and the entire report. He highlighted the following:
 - Per member per month (PMPM) decreased to \$526.75 from \$568.98 in 2016 which is still above the city/county reference of \$477.49
 - Plan-paid PMPM for active employees decreased by approximately \$10 PMPM
 - Total claims paid PMPM fell to \$555.43 from \$598.05 in 2016
 - Orthopedics and Rheumatology remained the top practice categories
 - Neoplasms were the second highest practice category in spend
 - Psychiatry fell out of the top six practice categories in 2017
 - Illness burden worsened slightly to 1.22 from 1.23 in 2016
 - The city/county reference population had an illness burden of 1.04
 - Inpatient spend decreased to \$79.73 PMPM in 2017 from \$98.80 in 2016
 - Inpatient spend decreased to \$154.51 PMPM in 2017 from \$152.05 in 2016
 - Professional spend decreased to \$205.69 PMPM in 2017 from \$232.35 in 2016
 - Pharmacy (Rx) was up slightly in 2017 at \$86.82 PMPM
 - Average ages of both males and females remained steady
 - Inpatient admits per thousand decreased from 96.4 to 83.9
 - Outpatient services per thousand increased from 2,213 in 2016 to 2,852 in 2017
 - Professional services per member was steady at 22.4 in 2017 and 22.3 in 2016
 - There were 8.1 Rx scripts per member in 2017 and 8.5 in 2016
 - Emergency room (ER) utilization decreased from 228.1 in 2016 to 209.7 in 2017

- Percentage of members with high cases (claims exceeding \$75,000) decreased slightly from 1.04% in 2016 to 1.01% in 2017
- Percentage of paid claims on a high case basis rose to 24.3% in 2017 from 23.9% in 2016
- High case PMPM fell from \$568.98 in 2016 to \$526.75 in 2017.
- There was a 20% decrease in the number of surgeries and a 23% increase in radiology services in 2017
- Pathology services increased by 87%
- Mr. Gottschald noted a large drop in radiology in 2016 from 2014 and 2015
- Member liability was 5.2% of total costs, the city/county reference was at 14.9%
- Inpatient costs per admit were \$11,400, a decrease from \$12,300 in 2016 and much less than the reference population at \$18,776
- Outpatient costs per visit decreased to \$649.43 from \$824.47 in 2016 and outperformed the \$895.02 cost the reference population pays
- Professional costs/service also decreased to \$109.96 from \$125.25 in 2016 and was in line with the city/county reference which ended 2017 at \$115.76
- The improvements and outperformance of the reference population were likely due to the tiered benefit design adopted on 12/24/16
- Rx cost/script increased to \$127.95 from \$121.80 in 2016 with the reference population at \$101.40
- ER costs/visit decreased to just under \$1,400 from \$1,500 in 2016 with the reference population at \$1,429.11
- Top DRG by cost and inpatient admit was major joint replacements
- Back pain dropped of the top ten list of reasons for ER visits
- Employees/retirees had a PMPM of \$558.40, the city/county reference PMPM was \$588.00
- Spouses had a PMPM of \$738.37, the city/county reference PMPM was \$607.00
- Children had a PMPM of \$345.96, the city/county reference was \$230.37
- Diabetes prevalence was the same as the reference population at 5.6%
- Asthma prevalence was slightly higher at 9.4% than the reference population at 8.4% diabetes, 9.4 vis 8.4 asthma
- Six percent of members suffer from multiple conditions, 2.7% suffer in the reference population
- Over one third (36%) of retirees had multiple conditions
- Generic Rx utilization increased to 80.8% from 78.0% in 2016, the reference population's utilization was over 86.8%.
- Scripts per member averaged 16.8 which was high when compared to 8.8 in the reference population
- Total claims paid PMPM decreased 2.7% from 2015

Mr. Kuschel agreed to further investigate the reasons behind the significant increases in radiology and pathology and to calculate the PMPM minus the two known high cases.

OLD BUSINESS

2. The first item from the agenda under Old Business was an update on the RFP process. Mr. Gottschald reported that the County received two proposals in response to the recent request for proposals for a health plan administrator. The two proposals came from BlueCross & BlueShield and Health Partners. He invited Committee members to participate in the interviews scheduled for mid-June. He agreed to provide another update at the July meeting.
3. The next item from the agenda under Old Business was feedback on a health insurance premium split. Union representatives who polled their memberships reported a lack of compelling interest for changing the current monthly health premium deduction schedule. Some members had no interest in making a change as their personal budgets were already set to the current deduction schedule. Ms. Westlund asked if employees could choose between different deduction schedules. Mr. Gottschald and Mr. Dicklich stated that having different deduction schedules for different employees would be problematic to implement for a number of reasons. No action was taken.

NEW BUSINESS

4. The first item from the agenda under New Business was an update on the wellness program by Ms. Kari. She reported 1,035 enrollees year-to-date which was up from 2017 which closed out at 930 enrollees. She also reported a new wellness initiative gearing up in mid-June and running through September. She announced the Civic Center Farmer's Market every Thursday from 11am to 1pm. Mr. Gottschald shared that future plans include adding educational booths at the market staffed by County Extension and PHHS work groups. Ms. Kari also reported that Mental Health Awareness month was the month of May.
5. The next item under New Business was the Claims Drivers report which was postponed to a future meeting.
6. The only item under Other Business was the Auditor's financial report. Mr. Dicklich reported the estimates on the report were current as of May 15, 2018. He provided a written copy of the report and noted that revenues were up 1.8 million over the prior year but claims were up 2.5 million and the total of all estimated costs and revenues resulted in a change in net assets of approximately \$202,000 in the positive.

With no further business the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Beth J. Menor".

Beth J. Menor
Senior Benefits Advisor