

ST. LOUIS COUNTY
HEALTH INSURANCE COMMITTEE

The St. Louis County Health Insurance Committee met on Wednesday, September 18, 2019 at 9:00 a.m. in the County Board Conference Room. The meeting was called to order by Jim Gottschald, Committee Co-Chair.

Members Present:	Angie Mattsen	Nancy Hintsa
	Heather Ninefeldt	Tom Stanley
	Jim Gottschald	Alicia Carrillo
	Kevin Gray	Mark Lindell for Connie Westlund
	Judy Wahlberg	Dave Rolland for Neil Porter
	Krista VanSickel	Ben Martin for Gordy Halverson
	Mark Rubin	

Others Present:	Jeff Coenen	Tiffany Kari
	Beth Menor	Colleen Effinger
	Jolene Jamnick	Charlie Hopkins

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

PRESENTATIONS

1. The first item from the agenda under Presentations was an updated renewal projection from Charlie Hopkins with BlueCross and BlueShield of Minnesota (BCBSM). Mr. Hopkins provided a handout on the renewal. He noted the following:
 - The renewal was based on 24 months of the most recent data.
 - ERG or illness burden was 1.142.
 - There was a stop loss violation in rating period 1 which had exceeded the threshold by \$155,483 at the time the report was created.
 - The projected renewal year incurred claims was \$37.4 million.
 - The current expected claims were \$35.3 million.
 - The recommended change in rates was 6.1%.
 - The 2020 administrative fee will be \$38.70 (a 4% contracted increase) per contract per month.
 - The 2020 stop loss fee will be \$11.72 (a 9.5% contracted increase) per contract per month.
 - The total expected plan costs were \$38.6 million, a 6.1% increase.
2. The next item from the agenda under Presentations was the Auditor's financial report presented by Jim Gottschald. The report projected the 2019 health fund balance to be \$8,179,038, a net gain of \$1,851,855 from the year prior. The year-end projection at the July meeting was \$8.5 million.

Discussion ensued regarding a medical rate recommendation. Positions and points of view were expressed over the perception of the health plan having high value, an appetite to retain the plan, an expectation by members that costs will increase each year, the high value placed on continuity in increases from year to

year, the impact of current negotiations in relation to this recommendation, and the low reserve balance. Mr. Coenen added that medical inflation was currently running at 6.5%. He stated that most of his groups were seeing increases in the low double digits. The committee did not reach consensus. The vast majority of members supported a 6.5% increase but rate recommendations proposed ranged from 0% to 6.5%.

3. The next item from the agenda under Presentations was the renewal projection for the dental plans. Ms. Petkovsek of Delta Dental joined by teleconference and announced that the voluntary dependent dental plan would have no rate increases in 2020 or 2021. She reminded the committee that it is a fully-insured plan. She added that the waiting period for dental services for new enrollees would be reduced from 12 months to 6 months and that composite (white) fillings on back teeth would have no waiting period and be covered at 80%. Composite fillings on back teeth were currently covered at 50% after 12 months of enrollment. Next, Ms. Petkovsek reviewed the renewal document on the self-insured employee dental plan. She noted the following:

- 4.84% was the group trend.
- 2,582 was the average enrollees.
- Corporate trend was 3.5% and had been for several years.
- No benefit changes were proposed.
- 2020 projected claims were \$1,145,487.
- \$36.97 was the expected claims rate.
- Administration fee was \$2.23/contract (guaranteed through 2023).
- Recommended rate for 2020 was \$39.20 (\$36.97+2.23).
- Recommended rate for 2019 was \$41.50, \$40.16 was adopted.
- Recommended rate for 2018 was \$39.68, \$39.37 was adopted.

4. The next item from the agenda under Presentations was the Dental Action Report (formerly called the Healthentic Report). Ms. Petkovsek noted that the report covered calendar year 2018. The report placed the dental plan on the 60th percentile nationwide for an oral health score. The score is derived in part from these components:

- a. 34% of members were in healthy category (preventive care only)
- b. 24% of members were in moderate category (preventive care and treatment)
- c. 21% of members were in serious category (emergency or extensive care)
- d. 21% of members had no dental claims

Additional items of note from the report were:

- Those who did not get regular preventive exams cost \$194 more per service than those who did not take advantage of preventive care.

- 51 members who had no dental visit last year saw one this year and were categorized as healthy
- 48 of members who had no dental visit last year saw one this year and were categorized as moderate
- 70 members who were previously healthy have not seen a dentist this year
- 62 of those with no visit this year are new enrollees
- 305 members have had no visit for two years in a row
- 45 members in serious category (and 51 members in Moderate) have not seen a dentist this year

Discussion ensued regarding a newsletter article, postcard mailing and an email campaign aimed at reducing the 21% of members who had no dental claims. Mr. Gottschald committed to working with Ms. Menor and Ms. Kari on an action plan to reach out to those in the *No Visit* category.

The committee agreed by consensus to recommend no rate change to the employee dental plan which was currently at \$40.16/month.

OLD BUSINESS

5. The first item from the agenda under Old Business was employee feedback on the KeyRx formulary. Employee questions led to the discovery that some medications which are available over-the-counter are still covered by the formulary if prescribed at dosages which are higher than what is available over-the-counter. Committee members reported receiving little feedback but the feedback they did get involved mixed reactions of support/nonsupport for the KeyRx formulary. One employee reported a monthly increase from \$25 to \$92 per month for copays. Mr. Hopkins noted that changing formularies must be done at renewal time and BlueCross would need to know by mid-October in order to adopt the formulary for 1/1/2020.
6. The next item from the agenda under Old Business was discussion on adopting the vision plan presented at the July meeting. Mr. Gottschald reminded the committee that the vision plan would have no impact on the health fund as it would be a fully-insured, voluntary benefit. Discussion ensued and included talking points on the lack of negatives to adopting the plan, the misunderstanding by employees that the vision network was separate from the health plan network and the impact the plan may have on local small businesses. The committee agreed by consensus to recommend adopting the vision plan effective 1/1/2020.

NEW BUSINESS

7. The first item from the agenda under New Business was MACRA or the Medicare Assistance and Chip Reauthorization Act. Ms. Menor provided a copy of the flyer for the next annual Medicare Supplement Plan Information sessions on November

8th. She reported that the MACRA legislation prevents health insurance plans from covering the part B deductible for those who become Medicare-eligible on 1/1/2020 or later. BCBSM will now offer a tiered premium structure where those who are Medicare-eligible on or after 1/1/2020 pay a lower monthly premium.

8. The next item from the agenda under New Business was a pending visit by the CEO of BCBSM, Craig Sammit. Ms. Menor and Ms. Kari announced that Craig would be presenting on October 18th in the Lake Superior Room to employees and then leading a reinventing healthcare panel later in the day for the community. His messaging will include:
 - a. How optimal health care should be in reach of everyone no matter who they are or where they live.
 - b. You can have high quality and low cost co-exist in the delivery of care.
 - c. There is a need to change the model so the profitability of health and wellness exceeds the profitability of sick care.
 - d. Need to transform healthcare from the inside out.

OTHER BUSINESS

9. The only item under Other Business was a thank you and goodbye delivered by Ms. Menor on behalf of Ms. Ulvi who resigned from the committee and had planned to have this meeting her last but was unable to attend at the last moment.

With no further business the meeting was adjourned.

Respectfully submitted,



Beth J. Menor
Senior Benefits Advisor