

## VWASIG Minutes – September 26, 2018

At 9:07 A.M. on Wednesday, September 26, 2018, Jeff Snyder called to order the Van Wert Area Schools Insurance Group trustees meeting, which was held at Willow Bend Country Club. Mike Ruen took roll call. Members present at time of roll call were Anthony Adams, Ashley Breese, Ray Burden, Ruth Ann Dowler, Hollie Ford, Todd Keller, Matt Krites, Jeff Snyder, Cindy Tinnel, Rachael Thomas, and Rick Turner. To be appointed members present were Kathy Mollenkopf, Dave Bagley, Vicki Brunn, Heather Sharp, and Amy Lawhorn. Also in attendance were Mike Ruen, Laura Peters, Ashely Whetsel, Troy Bowersock, Kris Gerken, Ally Druckemiller, and Cindy Stever. Anne Dunn arrived at 9:36.

People present introduced themselves.

Rick Turner moved and Ray Burden seconded to accept Hollie Ford as secretary of Van Wert Area Schools Insurance Group. Motion passed unanimously by voice vote.

Mike Ruen presented changes to the minutes from June 4, 2018.

Ray Burden moved and Rick Turner seconded to approve the minutes from the June 4, 2018 VWASIG Trustees Meeting. Motion passed unanimously by voice vote.

Cindy Tinnel moved and Ruth Ann Dowler seconded to accept Kathy Mollenkopf as voting member for Crestview Local Schools as a replacement for Mike Estes. Motion passed unanimously by voice vote.

Kathy Mollenkopf moved and Ray Burden seconded to appoint Amy Lawhorn as voting member of Northwest Ohio Area Computer Services Cooperative as a replacement for Carolyn Winover. Motion passed unanimously by voice vote.

Cindy Tinnel moved and Ruth Ann Dowler seconded to appoint Dave Bagley as a voting member for the Western Buckeye ESC as a replacement for Tricia Taylor. Motion passed unanimously by voice vote.

Kathy Mollenkopf moved and Rick Turner seconded to appoint Heather Sharp as a voting member for the Western Buckeye ESC as a replacement for Carol Williman. Motion passed unanimously by voice vote.

Anthony Adams moved and Cindy Tinnel seconded to appoint Vicki Brunn as a voting member for Van Wert City Schools as a replacement for Staci Kauffman. Motion passed unanimously by voice vote.

Mike Ruen gave the financial report for June, July, and August and part of September. All three months have been positive.

Todd Keller moved and Kathy Mollenkopf seconded to approve Financial Reports as presented. Motion passed unanimously by voice vote.

Kris Gerken gave the Huntington report.

- A. Summary and explanations of claims presented.
  - a. Reports were separated into PPO and HDHP. 76% members are enrolled in HDHP.
    1. Report on prescription drugs was given.
    2. \$81,793 specific reimbursement.
    3. Year-to-date combined loss ratio is 88%

4. PPO plan cost through August 2018 is \$1,619,745; PEPM is \$1,605.30 with loss ratio of 113%.
5. HDHP plan cost through August 2018 is \$2,837,038; PEPM is 915.47 with loss ratio of 78%.
6. Dental net plan cost is \$388,293 with loss ratio of 95%.
  - a. Mike said September's cost is low.
7. Large Claim Overview was presented
  - a. Kathy Mollenkopf desired to see aggregated data broken down between employee, spouse and dependent...by plan if available.
8. Three individuals have exceeded the \$125,000 deductible.
  - a. Three to four is typical for VWASIG.
9. Plan Cost allocation (plan year 2017 vs 2018)
  - a. Slight increase in administrative cost.
  - b. Stop loss is down.
  - c. Medical claims are projected to be up some.
  - d. Cindy Tinnel noticed an error in the 2017 pie chart for plan cost allocation.
    - i. Kris decided it was a rounding error in the formula.
  - e. Drug Claims are projected to decrease which is rare.
10. Two-year cost comparison (2017 vs 2018) total projected increase is 5.67% PEPM.

B. Kris presented a review of the previous increases and plan design changes and Anthem renewal overview.

1. Kris would like to see dollar savings of at least three claimants when increasing specific stop/loss deductible.
2. Kris recommended increasing specific stop/loss deductible from \$125,000 to \$150,000.
3. Like to see \$75,000 savings (3 claimants) from carrier. The premium savings associated to the increase is \$125,000, which is a decent premium savings.
  - a. Looking into pharmacy savings. A projected \$24,000 rebate in pharmacy. Anthem has indicated they can do better next year after some changes are put in place.
4. No change in medical administrative rates.
5. No change in dental administrative rates.
6. Employee Benefit Medical Renewal (with stop/loss staying at \$125,000)
  - a. 4.13% increase in "fixed cost" primarily related to stop loss.
  - b. Revised renewal annual maximum claims would be \$7,028,208.
  - c. Worst case scenario and projected costs are anticipated to be very similar.

Matt Krites asked which plan funds itself better. According to Kris Gerken HDHP funds itself better. Change premiums or change plan designs help lower cost for VWASIG.

C. Kris Gerken shared Renewal Analysis

1. Estimated Projected Surplus of \$2,523,263 is expected (cash balance minus estimated IBNR).
  - a. VWASIG is currently funding above projected cost (2018 funding of \$7,574,220 with 2019 estimated Medical and Rx costs of \$6,830,372).
  - b. Kris Gerken suggested 2%-4% premium increase for plan year 2019
    - i. 2% increase would equate to funding at \$7,725,704
    - ii. 4% increase would equate to funding at \$7,877,189
    - iii. 6% increase would equate to funding at \$8,028,673
  - c. Kris Gerken suggested that the carry over reflect 4-6 months.

2. Dental is currently funding above projected cost (2018 funding of \$610,464 with 2019 estimated dental cost of \$549,192
  - a. Kris Gerken suggested 2%-4%
    - i. 1% increase would equate to funding at \$616,569
    - ii. 2% increase would equate to funding at \$622,673
    - iii. 3% increase would equate to funding at \$628,778

D. Kris reviewed potential plan design change.

1. PPO

The group engaged in a discussion whether a plan design change is desired. Gain for district would be to seek a plan design change. When spousal clause went into effect, collection of premiums decreased. Currently about 76% of members are enrolled in HDHP. Options to save costs: plan design change, premium increase only, or a combination of plan design change and premium increase. According to SERB, VWASIG's deductibles align with about 56%-57% of Ohio school districts. HDHP costs VWASIG less than PPO.

Ray Burden proposed to leave HDHP design alone and a 4% increase for medical (both PPO and HDHP) and a 2% increase in dental and to consider PPO option 3 as presented (\$1,500/\$3,000 deductible and \$2,500/\$5,000 maximum out-of-pocket including deductible).

Kathy Mollenkopf suggested changing Ray's proposal to HDHP 3% increase medical only. Ray agreed to the change. Discussion over dental increase ensued. Jeff Snyder suggested changing dental increase from 2% to 1%. Stop loss discussion ensued. Mike Ruen suggested to leave stop loss at \$125,000 due to the concern that a really bad year would take a long time to recover. Kris stated that sooner or later the stop loss will need to increase. Because the number of high claimants may increase the need to increase stop loss. Jeff Snyder likes the \$150,000 too. Matt Krites looked at the guaranteed savings so he likes the \$150,000.

Vicki Brunn moved and Ray Burden seconded to increase all medical premiums by 3%, to leave the HDHP design plan the same but to change PPO to option 3 as presented (\$1,500/\$3,000 deductible and \$2,500/\$5,000 maximum out-of-pocket including deductible), to increase the dental plan by 1%, and to change stop loss to \$150,000. Motion passed by 13-1 voice vote.

Cindy Stever announced that she and Ally Druckemiller are ready to launch into open enrollment and will need to organize with the school districts. Cindy Stever said that American Fidelity indicated that they will try to change the representatives due to negative experiences from last year.

Anne Dunn gave the Wellness Committee update. Prices for spouse's health fair are to be the same as last year. (CMP with Lipid \$30, PSA \$30, Flu shot \$25) Only individuals who have a history with the thyroid issues can elect to have TSH at a cost of \$20 to the individual. Dates for the screening were presented. A voucher process at Healthcare North can be used; a form can be retrieved from Wellness Champions or at the health fair. Some results will be available immediately on MediKeeper. Allocation of district wellness funds are based on participation in MediKeeper. One paper copy of those enrolled in MediKeeper can be given to each district. A desire from the Wellness Champions is that stress and mental health need to be addressed. Anne Dunn emphasized the need for members to utilize the benefits that are in the plan and encouraged the Mental Health First Aid training that focuses on mental health.

Cindy Tinnel moved and Vicki Brunn seconded to amend a prior decision that wellness funds be used to fund activities for mental health and stress and not just physical wellness and nutrition. Motion passed unanimously by voice vote.

Jeff reminded members of the ad hoc wellness committee to meet after adjournment of the meeting. Members are Jeff Snyder, Laura Peters, Ashley Breese, and Cindy Tinnel.

The next meeting of the VWASIG Trustees meeting was scheduled for 9:00 A.M. on January 30, 2019 at Willow Bend.

Rachael Thomas moved and Ray Burden seconded to adjourn the meeting at 11:37 A.M. Motion passed unanimously by voice vote.

Recording Secretary: \_\_\_\_\_

Date: \_\_\_\_\_