

PARAMOUNT UNIFIED SCHOOL DISTRICT

INSURANCE COMMITTEE MEETING MINUTES

January 29, 2013

Meeting called to order by Michael Conroy at 3:35.

Agenda item one: Introductions

Introduction of two new members, representing MAPS, Cindy DiPaola and Kevin Longworth have replaced Rosemary Green and Richard Morgan. Congratulations to Jolanda Dudgeon as new CSEA President. Jolanda has indicated she'll be selecting new members for each of her committees. Jolanda will survey her members when selecting new committee members.

Agenda item two: Review Meeting Minutes and Norms

October 30, 2012 meeting minutes and meeting norms were reviewed. No comments were made on either topic. Meeting minutes and norms accepted.

Agenda item three: District Student Health Advisory Committee (DSHAC) / Wellness Committee

Manuel San Miguel and Debra Bolds spoke about the District Student Health Advisory Committee already in place at the district. This committee is part of the District Wellness Policy and has a representative at each site. This committee will also be combined with the District Wellness Committee since promoting wellness within our District is the same focus. The DSHAC/Wellness Committee will begin working with Judi Ulrey of Fitness Consulting. With the support of Fitness Consulting, each site representative will be trained on how to motivate employees at their location. Each month, site representatives will focus on a wellness topic. Throughout this process, we will monitor the participation from each site. This committee will be supported District-wide by all Administrators.

Related to wellness, 24hr Fitness is offering special enrollment offers. There is no cost to the District, and these offers are also available online. 24hr Fitness has revised the contract handed out to at the meeting to offer the same specials available online. The All-Club Super Sport has been reduced to \$39.99 monthly. They are willing to do site visits to enroll members. There is no initiation fee; the employee will only be responsible for first and last month of dues to be paid at the time of enrollment. Dr. Conroy will contact the site Principals and request they survey their staff about their interest in a 24hr Fitness site visit.

Agenda item four: Open Enrollment Update

During Open Enrollment, the following changes occurred:

- Total of 7 employees elected to change from Kaiser HMO to Blue Cross PPO (2 @ 1pty, 1 @ 2pty and 4 @ 3pty).
- Total of 7 employees elected to change from Blue Cross PPO to Kaiser HMO (4 @ 1pty, 1 @ 2pty and 2 @ 3pty).
- Total of 12 employees elected to make a status change to their Kaiser HMO coverage.
- Total of 15 employees elected to make a status change to their Blue Cross PPO coverage.

Agenda item five: MDLive

MDLive is a program replacing the 24/7 NurseLine. This program is now in effect for all members. A mailer was mailed home to each member with more information on the program. MDLive offers access to MD's via phone, email or online video vs. a phone call with a nurse. MDLive program has a \$5 copay, payable by credit card, at the point of access. DeeDee is verifying with American Fidelity if our FSA debit cards can be listed on file for the \$5 copays. In addition to the home mailer, Business Services will send out the notification to all site secretaries to be posted for PPO members. All Anthem

PPO members will receive new ID Cards. ASCIP will contact Blue Cross to find out what happens if employees call the NurseLine

Agenda item six: PPO Claims

ASCIP handed out our PPO Claims Experience on claims paid from 12/1/11 – 11/30/12. Large claims were significantly lower than the prior 12 months. Large claims credit is an indicator of catastrophic claims volume, but the premiums are based on the claims of everyone accessing care as well as the claims trends of the ASCIP pool, so there is not a direct correlation between large claims credit and renewal %. In fact the claims *underneath* the \$150k individual reinsurance attachment point are what drive the renewal calculations.

For the 12 month period ending Nov '10, the large claims credit was \$152k.

- There were significant variances in claims from month to month. The lowest claims Per-Employee-Per-Month (PEPM) during the reporting period was \$664 (July), and the highest claims PEPM was \$1,071 (Jan).
- The total enrollment has been stable and averaged 694 employees over the last 12 months vs. 703 employees in the prior 12 months. This has been a major contributor to the stability of the 12-month average claims.
- Rx claims PEPM declined slightly year over year driven in part by patents expiring on several brand name drugs to treat cholesterol, depression and asthma.

For the 12-month period, large claims credits totaled approx. \$400k. The PPO enrollment has been stable over the last 12 months and is a major contributor to the stability of the 12-month average claims. Dan states the stability of our enrollment is because of our methodology of employee contributions. Having the same contribution for both plans keeps employees from migrating into the plan with the lesser contributions.

Agenda item seven: Insurance Exchange

ASCIP does not see the exchange to be an attractive option and it may not roll-out on time for 2014. ASCIP does not expect the exchange to have any impact on the ASCIP pool, or be an attractive option for school districts for several reasons:

1. Negotiating leverage will be basically eliminated. If employees have a problem with a carrier, the employee can no longer complain to their employer who will threaten to move their entire population since the employer's population will now be spread over all carriers who participate in the exchange.
2. Claims will be spread over all carriers, so if an employer implements impactful wellness and prevention programs, the effect on claims will not be visible. In fact, no employer claims information will be made available.
3. The premiums on the exchange may not be attractive for long due to expected adverse selection. As it stands now, individuals with pre-existing conditions will be way ahead by waiting until they're sick to buy coverage – penalties for not buying insurance are much less than the cost of premiums.

Agenda item eight: HealthCare Reform

ASCIP believes the Cadillac Tax may have a potential extra expense in the future. The cost of a plan with single coverage that exceeds \$10,200 annually, or family coverage that exceeds \$27,000 annually, will be considered a “Cadillac Plan” beginning in 2018. At that time, coverage with a cost that exceeds those amounts will be subject to a 40% excise tax on the value of coverage that exceeds the above amounts. Using conservative trend estimates on today’s premiums, most districts are well into the Cadillac cost range and will be subject to this. However, 2018 is down the road and the Cadillac Tax may not survive to implementation but it’s on ASCIP’s radar.

Agenda item nine: CECHCR

Dr. Conroy contacted CECHCR regarding our interest in Module 1 and 3 training. Dr. Conroy has also contacted LACOE about the CECHCR training. LACOE will be hosting the training. He was informed by LACOE that there are three to four other districts interested in the training as well. We expect to begin training by late February or early March. Exact dates cannot be scheduled until we hear a response from LACOE and the other districts. In addition, CSEA needs to pick their new Insurance Committee members.

Final agenda item: Next Insurance Committee Meeting to be held on Tuesday, February 26 at 3:30 PM in the Board Room, District office.

Attendees: Jolanda Dudgeon, Robert Flores, Donald Lockwood, Cindy DiPaola, Kevin Longworth, Connie Moran, Myrna Morales, John Lussman, Nelda McCone, Nancy Randall, Leonard Rodriguez, Vivian Hansen, Michael Conroy, DeeDee McCarty, Dan Sanger, Liz Garcia, Debra Bolds and Manuel San Miguel.

Meeting adjourned at 4:52 PM.