

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1
EMPLOYEE BENEFIT TRUST
BOARD OF TRUSTEES MEETING– FEBRUARY 21, 2018**

TRUST MEMBERS PARTICIPATING

Kari Thompson, Marcia Cox, Hal Christiansen, Sam Scarmardo and Pat Rooney (non-voting member)

OTHERS PARTICIPATING

Mike Murray, Bonnie Breazeal, Cheri Tropple, Kelly Morrison & Naomi Morgan – LHUSD #1
Jaime Schulenberg & Elena Lacy - Erin P. Collins Associates

OTHERS ATTENDING (PER SIGN IN SHEET):

Andrea Helart, Nichole Cohen, and John Masden

Meeting called to order at 3:03 p.m. Roll call was taken. Pledge to the flag followed with moment of silence.

Kari Thompson asked for "Calls to the Public." There were none.

Vision RFP: Jaime Schulenberg

There have been complaints after the move from Vision Care Direct to United Health Care Vision Program back in July in respect of how many providers were available in town. As a result, ECA looked at other options, including going back to Visions Care Direct and two other options, Eye Med through Ameritas and VSP.

Vision Care Direct Plan: fully insured option with a 12, 12, 12 benefit schedules (exam, frames and lenses once a year).

- \$10.00 co-pay for exams and materials
- \$130.00 frame and contact allowance.
- Four providers in Lake Havasu City and one in Parker.

Eye Med: fully insured, same benefit structure. Co-pay on exams and materials would be

- \$10.00 co-pay for exams and materials.
- \$100.00 frame.
- \$105.00 contact allowance.
- Six providers in Lake Havasu City, two in Bullhead, one in Needles and one in Parker.

VSP: fully insured, same benefit structure and co-pay.

- Frame and contact allowance is at \$130.00.
- Three providers in Lake Havasu City, one in Parker and one in Needles.

Copies of networks are listed in the packets provided.

Jaime Schulenberg went over the premium rates on the second page in the memo of the packet provided. She mentioned that ECA recommends not to make a change at this time and it's up to the Trustees in terms of gaining additional providers in our network & paying more money vs. not making a change at this time.

Kari Thompson asked, with the current carrier, United, will those rates hold for next year or will they need to relook at them in July.

Jaime Schulenberg responded these are the rates for July 1 and have a four or five-year rate guarantee. These rates are set for 18-19 plan year.

Kari Thompson mentioned in the beginning, it was running at a loss.

Jaime Schulenberg did confirm it is still running at a slight loss due to funding factors projected by the actuary or a self-funded program were considerably higher. That was based on the experience of United Health Care.

Mike Murray referencing the presentation by United Health Care, it was beginning to level off.

Kari Thompson reiterated that we do have a rate guarantee for a couple years.

Marcia Cox wanted to clarify the three that were quoted, if they are self-insured and not fully insured plans.

Jaime Schulenberg confirmed that they did ask for fully insured and rates. The only one that responded was VSP and those rates were considerably higher.

Kari Thompson asked in regards to the list of providers and as far as where they get their glasses and contacts, is United still the only one that carries Wal-Mart.

Jaime Schulenberg responded to her understanding that yes, United Health still carries Wal-Mart.

Marcia Cox questioned if Dr. Sobchuk is the only one that we lost on providers.

Mike Murray responded that she was on the old plan with Vision Direct.

Kari Thompson noticed not getting as many billing questions.

Jaime Schulenberg agreed they haven't heard anything since ECA has been onboard.

Kari Thompson recommends to stay with United Health through the rate guarantee.

Marcia Cox asked if Dr. Sobchuk was approached by United Health for the contract.

Jaime Schulenberg responded Mr. Tauten reported in the last meeting, Dr. Sobchuk was approached and declined.

Kari Thompson stated there were three proposals and all three were turned down. Possibly approach them again and other providers as well to see if we can add one or two more providers.

Jaime Schulenberg commented during the months June, July and August while students are out of school, there tends to be a spike in medical, dental and vision.

Kari Thompson stated at this time there will be no changes and will be staying with current provider.

2018-19 Benefits and Rates: Jaime Schulenberg

Met two weeks ago for the official renewal meeting. Looking at some additional options for consideration. Started off at a 30% increase over the current premium rates. District has limited amount of the budget allocated to increases for the 18-19 plan year. Will go over additional items that are in the provided packets, such as the actuary price along with the percentage and dollar amount. Important to know this medical plan is set up to direct care to the clinic with high copay, deductible and out of pocket costs than other plans that do not have a clinic. The clinic is not an urgent care or hospital therefore cannot provide care for all the needs of members. Need to get to a place which is physically sound and can continue to provide services and benefits that members need and deserve.

Changes Mike Schionning took a look at that was agreed on from February 7, 2018 meeting:

- Add copay to services at the clinic.
- Out patient behavioral mental health to comply with mental health parity.
- Non-routine colonoscopy from 100% with no deductible to 80% after deductible.
- Add specialty copay of 20% with max \$300.00 on Gold Plan and \$600.00 on Silver Plan.
- Increase deductible from \$2,000.00 individual, \$4,000.00 family to \$2,500.00 / \$5,000.00 or \$3,000.00 /\$6,000.00
- Increase maximum out of pocket.
- Increase urgent care copay from \$55.00 to \$75.00.
- Increase ER copay \$200.00 plus deductible.
- Co-insurance \$250.00 plus deductible to co-insurance and \$300.00 plus deductible.
- Add \$55.00 copay to in-office minor surgery with no limitations.
- Change at-home sleep studies to in-office setting.
- Generic prescription copayments from \$5.00 to \$10.00 and generic mail order to \$25.00.

Chris Schantz with National Cooperative Rx looking at reducing mail order copays from \$15.00 to \$12.50. Preferred \$105.00 to \$87.50 and non-preferred from \$195.00 to \$162.50. Looking at eliminating coverage for any medication available over the counter.

Kari Thompson asked if over the counter medication is the same as generic.

Jaime Schulenberg responded that they are not exactly the same.

Marcia Cox commented the medications have the same ingredients, just different dosage.

Kari Thomson asked if generic is cheaper than over the counter.

Jaime Schulenberg commented it depends on the medication and would have to look into it.

Kari Thompson questioned the in-office surgery if the cost is over \$500.00, is the first \$500.00 covered and then goes into a percentage split and new rate be 80/20.

Jaime Schulenberg confirmed correct.

Kari Thompson would like it to show what the rate effect on Gold and Silver Plans if move deductible to \$2,500.00, out of pocket to \$6,500.00 and generic copay to \$10.00.

Jaime Schulenberg stated it show just under 25%.

Marcia Cox asked if there was a copay for lab and Rx.

Jaime Schulenberg did not discuss a separate copay. Lab and x-ray is 80% after deductible unless it's a Wellness lab.

Kari Thompson asked if Cerner can be approached with sending labs in.

Marcia Cox stated the contract would have to be amended.

Kari Thompson recommended the contract to be amended before July 1.

Marcia Cox asked what premiums would be if we didn't have the clinic at all.

Jaime Schulenberg stated they are working on a strategic plan with Mike Schionning if there is no clinic and going with a standard plan. Hope to have it done by this fall.

Marcia Cox would like to see what it would be if we took out the clinic today as the plan stands now.

Jaime Schulenberg stated those utilizing the clinic would have to shift over to the community. On the employee only rate was \$185.00 per employee per month. Having labs, Rx, Cerner management fees, and clinic operative costs separated out; roughly \$150 per employee per month.

Kari Thompson stated assuming zero costs get shifted.

Marcia Cox would like Mike Schionning to come back with numbers, as informative. Concern the actual number of those utilizing the clinic.

Jaime Schulenberg will get those numbers of percent shift.

Mike Murray asked what the minimum for a high deductible health plan is.

Jaime Schulenberg responded the minimum is \$1,350.00 individual with higher deductible. Cannot have any copays except for preventative care. Many ways to structure a plan.

Marcia Cox would like to see what that would cost and for out of pocket for employees.

Jaime Schulenberg will come up with different plan designs with actuary price and bring back for consideration.

Mike Murray had concerns making major changes and putting them in place by July 1. Would like to continue to get information for possible future consideration.

John Masden stated looking at long term have 10% on initial budget. With adjustments to the plan, can get another 1-2%. Need to come up with a comfort number with the district for the next year and then concentrate on long term.

Mike Murray stated a two year strategic plan for the 25% increase.

Jaime Schulenberg stated there will be a gap regardless and the board will need to adopt an actuary rate.

Mike Murray commented the plan for this coming year will be the 10% and 15% the year after should get us past Cerner contract in 2020.

John Masden has concerns keeping the cost of the Center. Making changes will need to be communicated with staff.

Jaime Schulenberg summarized the current numbers for benefit changes as of current.

Gold Plan

- \$20.00 copay services at clinic,
- Change out patient behavioral mental health from 80% after deductible to \$55.00 copay.
- Non-routine colonoscopy 100% with no deductible to 80% after deductible.
- Add specialty copayment of 20% max \$300.00.
- Increase the deductible to \$2,500.00 individual / \$5,000.00 family
- Increase the max out of pocket from \$6,000.00 individual / \$12,000.00 family to \$6,500.00 individual / \$13,000.00 family.
- Increase generic retail copayment to \$5.00 and generic mail to \$25.00.

Silver Plan

- \$40.00 copay services at clinic.
- Mental health same as Gold plan.
- Non-routine colonoscopy same as Gold plan.
- Specialty copay 20% max \$600.00.
- Increase deductible \$3,000.00 individual / \$7,000.00 family to \$3,500.00 individual / \$7,000.00.

- Increase max out of pocket from \$6,850.00 individual / \$13,007.00 family to \$7,150.00 individual / \$14,300.00 family.
- Increase generic retail from \$25.00 to \$30.00.

Both plans would add limitation on minor surgery performed in physician office limited to \$1,000.00.
Projected increase of 24.69% on employee only coverage.

Hal Christiansen made a motion to amend our coverage according to the selections listed.

Marcia Cox seconds the motion.

Motion unanimously approved by Trustees in attendance.

Administrative Update

Jaime Schulenberg has no updates at this time.

Marcia Cox asked of update information from Cerner on NDA to compare numbers.

Jaime Schulenberg projected to have data by end of February.

Mike Murray informed Trustees of the Board approval and application process for the two Trustee seats that will expire in June. Application due date is set for April 2. Board will review applications then put on as an agenda item for May Governing Board meeting to appoint those they select.

Future Agenda Items

None at this time.

Kari Thompson set April 25, 2018 for the next meeting at 3:00 p.m.

Hal Christiansen made a motion to adjourn the meeting.

Marcia Cox seconds the motion.

Motion unanimously approved by Trustees in attendance.

Meeting adjourned at 4:37 p.m.

Respectfully submitted,

Naomi Morgan, Secretary, LHUSD #1 Employee Benefit Trust

Minutes of LHUSD #1 EBT Meeting of February 21, 2018 are approved as submitted.

Kari Thompson, Chairperson, LHUSD #1 Employee Benefit Trust