

ST. LOUIS COUNTY  
HEALTH INSURANCE COMMITTEE

The St. Louis County Health Insurance Committee met on Wednesday, September 15, 2021 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	Timothy Rasch
	Heather Ninfeldt	Tom Stanley
	Jim Gottschald	Alicia Carrillo
	Nancy Hintsa	Nancy Nilsen
	Krista Shopp	Kevin Gray
	Mark Rubin	Gordy Halverson

Others Present:	Jeff Coenen	Tiffany Kari
	Beth Menor	Caitlin O'Malley
	Dave Kuschel	Jolene Jamnick
	Alyssa Schlichting	

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

### PRESENTATIONS

1. The first item from the agenda under Presentations was the Auditor's financial report presented by Ms. Nilsen (0:01:20). The report projected the 2021 health fund balance to be \$21,349,319, a net gain of \$4,168,154 from the year prior. The year-end projection at the prior meeting in July was \$22,373,167. Mr. Gottschald commented that 3-6 months of reserves have been suggested by our insurance consulting resources. Ms. Nilsen commented that the balance was healthy and at a level that gave her confidence in its stability. Mr. Stanley and Ms. Hintsa commented on the potential volatility of the fund balance which could be seen in the report in years 2015 and 2016.
2. The next item from the agenda under Presentations was an updated renewal projection from Mr. Kuschel with BlueCross and BlueShield of Minnesota (BCBSM) (0:15:20). Mr. Kuschel noted the following from his handouts:
  - The expected change in costs increased by 4.7 percent since May, the largest swing Mr. Kuschel has seen
  - April and June of 2021 were the two highest claims months over the past 12 month period
  - The renewal was based on 24 months of the most recent data through July of 2021
  - ERG or illness burden was 1.034
  - There was a pending stop loss violation in rating period 1 which had exceeded the threshold by \$212,000
  - The projected renewal year incurred claims were \$30.6 million
  - The current expected claims were \$29.7 million

- The recommended change in rates was 3.0%
- The 2021 administrative fee will be \$41.86, a 4% contracted increase, per contract per month
- The 2021 stop loss fee will be \$14.18 per contract per month, a 10% increase, negotiated down from 19% by Mr. Gottschald and Mr. Kuschel
- The total expected plan costs were \$31.7 million, a 3.1% increase

Mr. Gray commented that there will be some federal funding available to offset some claims paid to cover COVID-19 treatments.

3. The next item from the agenda under Presentations was the renewal projection for the dental plans by Ms. O'Malley of Delta Dental (0:37:40). Ms. O'Malley announced that the voluntary dependent dental plan would have no rate increases in 2022 or 2023. Next, she reviewed the renewal document for the self-insured employee dental plan. She noted the following:

- The three months in 2020 that dental offices were closed due to the pandemic were not included in the renewal calculations
- 5.6% was the group trend
- 2,527 was the average enrollees, a decrease of 3.1% due to Teamster withdrawal
- Corporate trend was 3.5% and had been for several years
- 2020 projected claims were \$1,167,715
- \$38.51 was the expected claims rate
- Administration fee was \$2.23/contract/month (guaranteed through 2023)
- Recommended rate for 2021 was \$40.74 (\$38.51+2.23)
- Recommended rate for 2020 was \$41.29, \$41.36 was adopted
- Recommended rate for 2019 was \$41.50, \$40.16 was adopted
- Recommended rate for 2018 was \$39.68, \$39.37 was adopted
- Delta Dental provided the employee dental plan with \$404,961 in network savings as 98.55% of 2020 dental visits were in-network

## OLD BUSINESS

4. The only item from the agenda under Old Business was *Action on Dependent Dental Plan Changes* by the Dental Subcommittee (0:48:15). Ms. Menor outlined the three options explored by the subcommittee:
1. No changes to the current dependent plan and no change in rates for the next two years.
  2. Move the existing dependent plan from fully-insured to self-insured status. Rates would go down by approximately \$2/month and benefit would remain the same.
  3. Merge the dependent plan with the employee plan. Rates would go up by \$6/month and benefits would increase.

Ms. Mattsen reported on behalf of the subcommittee which recommended option three. She outlined the potential risks and benefits of this option:

- Increased Coverage. There were many nuances to coverage that will improve. One example: panoramic Xrays will be covered once every 3 years instead of once every 5 years.
- One Dental Card for All. Currently, if an employee covers family members, two Delta cards are issued, both in the employee's name but with different numbers. This confuses dental offices and they often report no coverage and/or bill the wrong plan.
- Zero Deductible. Current deductible is \$50/year/family member (limit of \$150/family/year). No deductible if plans are combined.
- Pay less Coinsurance. Some dental services that are 50% covered by the dependent plan will be 80% covered by the new combined plan. These are services under the categories of Endodontics and Periodontics.
- Additional \$300 in annual benefit. The employee dental plan will pay up to \$1,500 towards an employee's eligible dental bills each year. The dependent plan will pay up to \$1,200 towards each family member's eligible dental bills each year. If the plans are combined, all will have the same \$1,500 benefit.
- Rate increases of approximately \$5/month. This increase is the gross amount so after tax savings the net increase would be \$3-\$4/month. It is worth noting that if one family member (who no longer has a deductible) needs services beyond the semi-annual cleanings/checkups, employee costs don't increase at all.
- Taking on the risk. Should the dental plan have a year where claims exceed revenues, there would be a negative impact to the insurance fund. Had the plans merged three years ago the impact to the insurance fund would have been a positive one averaging \$99.7 thousand per year added to the fund. In an effort to mitigate adverse impact from enrollment changes, the six-month waiting periods for complex dental services would remain in place for family members.
- Retiree enrollment growth. As a group, retirees spend more than they pay for dental services. There could be an increase in retiree spouses covered if the plans merge. Once the retiree is 65, they tend to drop our dental plan as many of the Medicare advantage plans include some dental coverage.

At the conclusion of the presentation and discussion, the Committee agreed to bring this information back to their respective employee groups for feedback and to come prepared to discuss a committee recommendation on dependent dental at the October Health Insurance Committee meeting.

### NEW BUSINESS

5. The first item from the agenda under New Business was *Action on rate recommendations* by Mr. Gottschald. Mr. Gottschald suggested, and the committee unanimously supported a 0% increase to the employee dental plan. He also suggested a 0% increase to the health plan which the committee also unanimously supported after discussion over concerns about pent up pandemic demand, specialty medication inflation and potential volatility in future claims that could result in large rate swings when the preference is for mitigated premium increases year over year.
6. The next item from the agenda under New Business was the *Total Wellness Program Update* from Ms. Kari (1:51:15). She reported that the Farmer's market, despite being reduced from 4 months to 2 months, had been a welcome reprieve to both attendees and vendors. Biometric screenings had started with COVID protocols in place. She reported comments of gratitude from attendees who expressed a new pledge to their wellness efforts after a missed year of screenings and weight gain prompted by the pandemic lockdowns. Lastly, she reported Learn-to-Live, our digital mental health platform, maintained great utilization of 15.4% this year (versus 15.5% last year), which was higher than most other employer groups. She advised everyone to check out the promotion she recently sent and to watch for more next month and again as we approach the holidays.
7. The next item from the agenda under New Business was *2021 Flu Vaccination Clinics* (1:55:15). Mr. Gottschald reminded those in attendance that we held two drive-thru vaccination clinics at two public work sites in 2020. The committee purchased 950 doses for these clinics and 185 vaccinations were given at this event. The remainder doses were discarded.

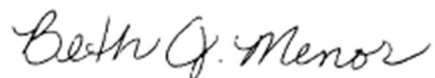
The Committee agreed by consensus to no longer host employee vaccination clinics due to the late arrival of the vaccine supply each year, the wide availability and 100% coverage of vaccines at local retail pharmacies, the migration of the Teamsters (those with the greatest participation in the clinics) from the health plan, and the increased demand on Public Health staff time to administer COVID-19 (boosters and mandates in the future?) vaccinations to the public.

Other Business

8. The one item under Other Business (2:06:30) was kudos to Mr. Rubin for his commitment and service on the committee during his tenure as County Attorney as this would be his last meeting pending his September 30<sup>th</sup> retirement date.

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