

ST. LOUIS COUNTY
HEALTH INSURANCE COMMITTEE

The St. Louis County Health Insurance Committee met on Wednesday, December 21, 2016 at 9:00 a.m. in the County Board Conference Room. The meeting was called to order by Jay Anderson, Committee Co-Chair.

Members Present:	Jay Anderson	Angie Mattson	Gordy Halverson
	Mark Rubin	Jim Gottschald	Heather Ninefeldt
	Nancy Hintsa	Lori Ulvi	Connie Westlund
	Kevin Gray	Marsha Callahan-Ness	

Others Present:	Jeff Coenen	Tiffany Kari	Brenda Goodreau
	Beth Menor	Charlie Hopkins	David Bednarski
	Dave Kuschel	Kay Lokken	Robin MacDonell

The October 2016 minutes were approved by consensus.

OLD BUSINESS

1. The first item from the agenda was a report on 2016 flu vaccination clinics. Ms. Menor reported that there were 890 total flu vaccinations. The breakdown was 692 employees, 140 dependents and 58 retirees. Public Health staff reported to Mr. Gottschald that the \$15 per vaccination charge was not covering the cost incurred by Public Health & Human Services. This was confirmed by Mr. Anderson who projected the cost to be closer to \$20 per vaccination. Mr. Gottschald reported that retail clinic vaccinations cost closer to \$30 and that the clinics were delayed this year. Mr. Anderson reported that the vaccine should be available earlier in 2017 as the vaccine order would be placed in January.

NEW BUSINESS

2. The next item from the agenda was an updated financial report. Mr. Gottschald provided a copy of the report and highlighted the following from it:
 - a. The \$4.5 million dollar projected end-of-year fund balance was a slight improvement over the last meeting's report in October
 - b. The improvement was primarily due to a recent decline in claims
 - c. A new 2018 Governmental Accounting Standards Board (GASB) accounting standard will require us to report our entire OPEB balance in the current year
 - d. Some organizations are establishing a trust to fund their OPEB balance
 - e. The St. Louis County bond rating could be at risk given the OPEB balance negates the majority of the fund balance
 - f. Current OPEB liability was \$4.3 million dollars
 - g. Weekly claims payments average \$550,000 to \$650,000

3. The next item from the agenda was a review of the Committee's 2016 goals. The first goal reviewed was to study and strategize around the Affordable Care Act (ACA). Ms. Menor reported one new action regarding the ACA for 2016. The Minnesota State Retirement System (MSRS) had recently shared their legal opinion that Health Care Savings Plans (HCSP) equate to health coverage under the ACA. This means that any retirees who dropped coverage at St. Louis County but still had a HCSP balance would be reported as having coverage on their 1095 tax form issued by St. Louis County. Ms. Menor reminded the Committee that the Cadillac tax remained unpopular among legislators on both sides of the aisle but that it was still intact and scheduled to begin in 2020 and that our health plan was still at risk for this 40% excise tax. Lastly, Ms. Menor reported that she had become aware of a handful of employees making application for health coverage with MNSure. Since these employees already had access to affordable health coverage with St. Louis County, there was no threat of an employer penalty. Ms. Menor attributed these cases to the current political climate. The Committee agreed by consensus to carry this goal over to 2017.

The next 2016 goal reviewed was to educate members to be proactive in their health and healthcare. Mr. Gottschald reminded the Committee of the online tiering tutorial video and Ms. Menor provided copies of a page from the first quarter training catalog featuring a traveling class she would be offering where she would come to worksites with 15 or more employees attending a staff or unit meeting to present on the 2017 health plan changes. Ms. Kari provided the Committee with an updated report of the results of the Omada program--a National Diabetes Prevention program (NDPP). She reported 382 employees had applied, 270 were accepted and 229 enrolled. The average weight loss of enrollees was 5.5% which was above the expected performance when compared to a cohort group from Omada's book of business. Mr. Anderson and Ms. Tiffany reported similar results with their onsite NDPP class participants. Mr. Anderson added that the Center for Disease Control data has proven that a 7% weight loss cuts the chance of getting Diabetes in half. Ms. Menor reported that there was a booth at the recent Health & Benefits Fair that promoted Advance Care Planning (ACP) where 20 employees signed up for and attended an ACP class on November 14th and where another 43 employees asked to be notified of future dates. Ms. Menor recapped the recent ACP Thanksgiving promotion and announced the next ACP promotion which would be around tax time or mid-April. This promotion is geared around the adage that the only certain things in life are death and taxes. She added that ACP is also incorporated into the semi-annual retirement workshops.

The next 2016 goal reviewed was to explore premium alternatives based on lifestyle choices. Ms. Menor reported that Mr. Stanley broached this topic at a recent meeting where BlueCross staff reported very few plans were

differentiating premiums between tobacco users and non-tobacco users despite the ACA regulations that encourage such a premium structure. This was the only action taken or discussion held regarding this goal in 2016.

The next 2016 goal reviewed was to identify and investigate claims drivers. Ms. Menor recapped the wisdom gleaned from the 2016 claims driver's reports. The Committee learned that a significant amount of pharmacy (Rx) costs were buried in physician services as the medications were being administered in doctor's offices. The Committee learned of a few new Hepatitis C cases and that the 2016 pharmacy benefit changes were very effective in managing Rx costs. Ms. Lokken suggested the possibility of offering health plan members a Hepatitis vaccination. Ms. Ninefeldt reported that Safety and Risk Management have overseen the Hepatitis vaccinations for Jail staff. The Committee asked BlueCross staff to explore/investigate and report back at the next meeting.

The next 2016 goal reviewed was to explore spousal eligibility. Mr. Gottschald recapped that the committee explored and investigated this goal and forwarded a recommendation on to the County Board's labor negotiation representatives so this goal had been accomplished.

4. The next item from the agenda was discussion and setting of 2017 goals. The Committee agreed by consensus to keep the first, second and fourth goals from 2016. Ms. Ulvi shared her members' desire to have the premium structure reviewed. Mr. Gottschald shared that groups who have implemented a single plus spouse, premium rate have found that rate to be almost identical to the family premium rate because most claims are incurred by empty-nester couples nearing or in retirement. Mr. Anderson concurred and reported that the premium tiering structure had been reviewed in the recent past. The Committee agreed by consensus to add the following 2017 goals:
 - a. Study pharmacy benefit design strategies and trends
 - b. Study and collect feedback on early retiree pooling requirement
5. The next item from the agenda was the naming of 2017/2018 Committee Co-chairs. Management representatives named Don Dicklich and labor representatives named Jay Anderson, each for another two-year term.

OTHER BUSINESS

6. The first item under Other Business was the presentation of an employee petition to have the wellness program funded from the County's general budget instead of the health fund. Ms. Goodreau, Ms. MacDonnell and Mr. Bednarski presented the petition with 189 signatures to the Committee. Mr. Anderson shared that about 85% of all premium dollars are funded by the

County and the remaining 15% by the members. Mr. Bednarski presented a list of questions about the wellness program. The Committee agreed to address the questions and proposed action at the February meeting.

7. The next item under Other Business was an update on new health plan cards. Ms. Menor reported that there was a delay at BlueCross with sending out the cards to be effective on 12/24/16. Mr. Kuschel added that the 12/1/16 cards have a crossover feature so they would still work until the new cards arrived. Mr. Anderson and Ms. Westlund reported troubles filling 90 day medications without their 12/24 card as the treatment period was covered partially by their 12/1/16 card and partially by their 12/24/16 card. Ms. Menor offered to include the group number conversions in the county-wide email notification she would be drafting and sending later in the day and Mr. Kuschel offered to bring this issue back to his vendor Highmark for resolution.
8. The next item under Other Business was an announcement by Mr. Kuschel that a new agreement had been reached between BlueCross and the Fairview health system. This meant that Fairview would be in the network for 2017 at a tier one level. He added that BlueCross was still in negotiations with the Integrity health providers whose current contract was set to expire on 2/1/17. The three Integrity providers most heavily utilized by St. Louis County health plan members were Raiter Clinic, Duluth Orthopedic Associates and Relf Eye Care Center. Ms. Menor added that this contracting issue would not affect the St. Louis County group Senior Gold members who can receive benefits at any provider who accepts Medicare.

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