

October 18, 2018 OPEH&W Board of Review Meeting

ACCO Building, 429 NE 50th Street, Oklahoma City, Oklahoma

Board Members Present:

Cindy Bobbitt – Grant County
Mike Brittingham - Pushmataha County
Rick Garrison – Elk City Schools
Tammy Malone – Craig County
Gina Richardson – Cimarron County
CJ Rose – Beaver County
Kathy Ross – Johnston County
Keith Schroder – Kingfisher County
Lynn Smith – Ellis County
Jack Strain – Texas County
Tahasha Wilcots – Seminole County

Board Members Absent:

Jimmy Beavin- Roger Mills County
Mike Bouvier – Washington County
Karen Hickman – Harper County
Kristie Moles – Pawnee County

Guests:

Hope Trammell – Pittsburg County
Sara Thulin – ACCO
Keressa Compton – Pontotoc County
Tammy Brown – Pontotoc County
Matt Jacobson – OMAG
Kristen Dowell – Washita County
Marsha Shelton – SWODA
Melissa Parker – Custer County
Noel Spencer – Cherokee County
Gary Starns – Pontotoc County
Shannon Sawyer – Beckham County
Heath Dobrovlny – Kingfisher County
Dana McElroy – Plan Administrator
January Gilmore – Plan Administration Office
Ross Naylor - Plan Administration Office

Tammy Malone called the meeting to order at 10:00 AM – quorum present.

Agenda Item A –Approval of the minutes of the last Board Meeting dated July 19th, 2018.

CJ Rose made a motion to approve the minutes. Keith Schroder seconded. Mike Brittingham, Rick Garrison, Tammy Malone, Gina Richardson, Kathy Ross, Lynn Smith, Jack Strain and Tahasha Wilcots all voted aye; Cindy Bobbitt abstains; motion carried.

Agenda Item B – Discussion and possible action thereon regarding Plan Year review ending 6-30-2018.

Dana McElroy reviewed the financials for the Plan year. Total cash on hand was \$420,511.00. Total investments were \$4,049,134.00. Total unpaid premiums was \$2,205,342.00. Rx rebates owed is \$1,623,515.00. Accounts receivable totaled \$1,876,182.00. Leaving the total Current assets at \$10,228,972.00. Claims expenses were \$5,903,389.00. Bank loan payable was \$2,795,947.00. Total premiums received were \$55,089,456.00. Stop Loss income was \$403,667.00. Claims run-off revenue \$49,676.00. Total RX rebates \$1,619,021.00. Total expenses including Medical, Rx, Dental and Vision was \$46,480,069.00. All other expenses totaled \$7,716,057.00. The total net income for the plan year was \$3,080,544.00.

Mike Brittingham made a motion to approve the plan year review. CJ Rose seconded. Cindy Bobbitt, Rick Garrison, Tammy Malone, Gina Richardson, Keith Schroder, Kathy Ross, Lynn smith, Jack Strain and Tahasha Wilcots all voted aye; motion carried.

Agenda Item C – Discussion and possible action thereon regarding the financial position of the Plan ending 8-31-2018.

Dana McElroy reviewed the financial position of the plan ending 8-31-2018. Total cash on hand was \$669,001.00. Total value of the Plan's investments was \$4,133,706.00. Unpaid premiums totaled \$2,697,969.00. RX rebates were \$1,600,000. BlueCross performance guarantee received was \$44,444.00. Accounts receivable was \$1,876,182.00.

Total current assets was \$10,649,799.00. Liabilities totaled \$6,221,616.00. Bank loan payable was \$2,843,735.00. Total current liabilities was \$9,065,651.00. Total premium income was \$8,870,830.00. RX rebates \$574,310.00. Total Income received was \$9,489,584.00. Total claims expense was \$8,057,852.00. All other expenses totaled \$1,376,921.00. Total expenses \$9,434,773.00. Leaving a net income of \$54,811.00.

Lynn Smith made a motion to approve the financial position of the plan. Tahasha Wilcots seconded. Cindy Bobbitt, Mike Brittingham, Rick Garrison, Tammy Malone, Gina Richardson, CJ Rose, Keith Schroder, Kathy Ross and Jack Strain all voted aye; motion carried.

Agenda Item D – Discussion and possible action thereon regarding annual RX review

The Plan is trending below the national average on prescription cost. The use of specialty drugs increased by 13%. The Plan saved over \$2 Million on currently excluded drugs. With RX rebates included there was a 16% reduction in per member per month cost. We saw a 20% increase in rebates for the year. The average plan cost for a 30 day supply at retail increased by 16%. The driving factor for this increase was a new multivitamin drug, Xyzbac, with an average cost of \$1,500 per script. The plan chose to exclude Xyzbac in June. The monthly cost of Specialty medications is averaging almost \$6,000 per script. The Plan's generic dispensing rate is at 86% which is above national trend.

No action required.

Agenda Item E – Discussion and possible action thereon regarding new Plan medical designs.

The Plan administrators are looking to add two new plan designs for the new plan year. Both with higher deductibles. These new plans will be an Enhanced plan with a \$1,500 deductible and a standard plan with a \$3,000 deductible. These high deductible plans will reduce the cost of premiums and allow us to offer more options for our current groups and any future groups. The actuary will be looking at these new plan design options and will be presented along with new rates and benefits at the next board meeting.

No action required.

Agenda Item F – Discussion and possible action thereon regarding late termination notice.

The Plan administration office received a call in December 2016 from a group asking if it mattered who paid COBRA premiums, the group was told no it doesn't matter who pays premiums. The plan then received a termination notice from this group in June 2018 showing their employee was retiring. Once the paperwork for retiree coverage was completed, the plan learned that this employee's last day of employment was actually on 12/31/2016. The group failed to notify the plan of the original termination. The member then passed away in July. Because of the late notification and the member was not actively at work, the member's life insurance would not pay. The group had continued to pay the employee's premium thinking they were paying for COBRA coverage. The employee had numerous claims during this time. The administrators can either retract every claim or go back and charge the group the extra 2% over premium for COBRA coverage.

Rick Garrison made a motion to charge the 2% over premium for COBRA. Jack Strain seconded. Cindy Bobbitt, Mike Brittingham, Tammy Malone, Gina Richardson, CJ Rose, Kathy Ross, Keith Schroder, Lynn Smith and Tahasha Wilcots all voted aye; motion carried.

New Business unforeseen at the time of the posted agenda –

No new business.

Cindy Bobbitt made a motion to adjourn. Tahasha Wilcots seconded. Mike Brittingham, Rick Garrison, Tammy Malone, Gina Richardson, CJ Rose, Kathy Ross, Keith Schroder, Lynn Smith and Jack Strain all voted aye; motion carried.

Secretary/Board of Review

Attested To/ Notary

My Commission Expires

Chairman/Board of Review

Attested To/ Notary

My Commission Expires