

February 25th, 2021 OPEH&W Board of Review Meeting

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

Board Members Present:

Heath Dobrovolny – Kingfisher County
Tammy Malone – Craig County
Kristie Moles – Pawnee County
Gary Nielsen – Harper County
Cindy Pratt – Grant County
Gina Richardson – Cimarron County
CJ Rose – Beaver County
Kathy Ross – Johnston County
Lynn Smith – Ellis County
Jack Strain – Texas County
Lisa Turpin – Seminole County

Board Members Absent:

Mike Bouvier – Washington County
Mike Brittingham - Pushmataha County
Rick Garrison – Elk City Schools
Jymay McLeod – Roger Mills County

Guests:

Dana McElroy – Plan Administrator
January Gilmore – Plan Administration Office
Ross Naylor – Plan Administration Office
Kevin Duke – CPA
Daniel Ofsthun – City of Blanchard
Kristen Dowell – Washita County
Noel Hunter – Cherokee County

Tammy Malone called the meeting to order at 10:00 AM

January Gilmore completed a roll call of the board members, quorum present.

Agenda Item A – Approval of the minutes of the last Board Meeting dated October 15th, 2020.

Gina Richardson made a motion to approve the minutes. Gary Nielsen seconded. Roll call vote completed.

Heath Dobrovolny, Tammy Malone, Kristi Moles, CJ Rose, Kathy Ross, Lynn Smith, and Jack Strain all voted aye; motion carried.

Agenda Item B – Discussion and possible action thereon regarding new Board Members approval.

Jymay McLeod is replacing Jimmy Beavin from Roger Mills County. Cindy Pratt is replacing Cindy Bobbitt from Grant County. Lisa Turpin is replacing Tahasha Wilcots from Seminole County.

Jack Strain made a motion to approve the new board members. CJ Rose seconded. Roll call vote completed.

Heath Dobrovolny, Tammy Malone, Kristie Moles, Gary Nielsen, Gina Richardson, Kathy Ross, and Lynn Smith all voted aye; motion carried.

Agenda Item C – Discussion and possible action thereon regarding financial position of the Plan ending 12-31-2020.

Dana McElroy reviewed the financial position of the Plan. Total cash on hand was \$1,271,444. Investments totaled \$4,681,518. Express Scripts rebates owed was \$572,008. Total unpaid premiums were \$2,255,250. Total liabilities were \$605,800. Bank loan was paid off so there was no bank loan payable. Total premium income was \$22,721,028. Reinsurance refunds totaled \$196,537. Claims runoff revenue was \$51,489. RX Rebates received was \$1,147,138. Subrogation refunds received was \$52,976. Other income received from Express Scripts guarantees was \$10,185. Total claims expense was \$18,999,359. PCORI fee was \$22,144. Administrative and claims processing fees totaled \$1,668,395. Stop-loss fees were \$560,145. Group Life insurance was \$673,929. Vision Insurance was \$294,750. All other expenses totaled \$126,627. There was a gain on investments of \$249,809. Leaving a total net income for the year of \$2,083,813.

Gary Nielsen made a motion to approve the financial position of the plan. Cindy Pratt seconded. Roll call vote completed.

Heath Dobrovolny, Tammy Malone, Kristi Moles, Gina Richardson, CJ Rose, Kathy Ross, Lynn Smith, Jack Strain, and Lisa Turpin all voted aye; motion carried.

Agenda Item D – Discussion and possible action thereon regarding plan year audit presented by Kevin Duke.

Kevin Duke presented the findings of the 2019/2020 plan year audit. There were no findings or adjustments to report. The fund balance at the end of the plan year was \$6,090,000. Assets totaled \$9,400,000 compared to \$8,800,000 the prior year. Total liabilities of \$3,300,000 down from \$4,500,000. Revenues were down to \$47,300,000 from \$54,000,000 the previous year due to the loss of entities. Expenses were down to \$45,626,000 from \$51,000,000 the previous year. The Plan is running very well, and accounting records and internal controls are in excellent shape.

Heath Dobrovolny made a motion to approve the plan year audit. Jack Strain seconded. Roll call voted completed.

Tammy Malone, Kristie Moles, Gary Nielsen, Cindy Pratt, Gina Richardson, CJ Rose, Kathy Ross, Lynn Smith, and Lisa Turpin all voted aye; motion carried.

Agenda Item E – Discussion and possible action thereon regarding new entities joining the Plan.

Atoka County Rural Water District 2 and Grady County Fairgrounds Trust came on January 1.

Jack Strain made a motion to approve the new entities. Heath Dobrovolny seconded. Roll call vote completed.

Tammy Malone, Kristie Moles, Gary Nielsen, Cindy Pratt, Gina Richardson, CJ Rose, Kathy Ross, Lynn Smith, and Lisa Turpin all voted aye; motion carried.

Agenda Item F – Discussion and possible action thereon regarding 2021/2022 Plan Year Benefits and Rates.

Actuary Study:

The actuary study suggested an increase to the Diamond preferred plan of 6.7% and a reduction in the standard dental plan by 30.5% or combine them for a 4.6% increase. One of the biggest components of their suggested increase was due to the lower than suggested increase we took last year. However, financially the plan is healthier this year.

Jack Strain made a motion to approve the actuary study as presented. CJ Rose seconded. Roll call vote completed.

Heath Dobrovolny, Tammy Malone, Kristie Moles, Gary Nielsen, Cindy Pratt, Gina Richardson, Kathy Ross, Lynn Smith, and Lisa Turpin all voted aye; motion carried.

Benefit and Rate Changes:

There will be no benefit changes made for the new Plan year. Covid vaccinations will be covered at 100%.

The Plan administrators are proposing the following rate changes: No change on Vision coverage premiums. Group & additional life rates are still currently being negotiated. On the Medical plans- Increasing only the member tier with no change to premiums for the Spouse and Child tiers. An increase of 2% on the Diamond preferred plan with a matching dollar amount on Platinum, Gold, Silver and Bronze plans. This is a \$12.08 increase on the member tier only. For dental there would also be a 2% increase on the member only tier on both plans. That is an \$0.84 increase on the enhanced plan and \$0.76 on the Standard plan.

Jack Strain made a motion approve the 2% rate increase on the employee only. CJ Rose seconded. Roll call vote completed.

Heath Dobrovolny, Tammy Malone, Kristie Moles, Gary Nielsen, Cindy Pratt, Gina Richardson, Kathy Ross, Lynn Smith, and Lisa Turpin all voted aye; motion carried.

Agenda Item G – Discussion and possible action thereon regarding 2021/2022 Plan Year ASO & Stop-loss contracts.

BlueCross is increasing the ASA contract by 5% on Health, 5.1% on dental, 13.3% on the HAS (health advocate solutions), minus a health rebate of \$1.97, leaving a net increase of 3.5%. The Stop loss contract has a \$425,000 attachment point, including coverage for prescription claims, is increasing by 13.1% The aggregate component that was added to the contract last year is increasing by 8%.

CJ Rose made a motion to approve the ASO & Stop-loss contracts for 2021/2022. Heath Dobrovolny seconded. Roll call vote completed.

Tammy Malone, Kristie Moles, Gary Nielsen, Cindy Pratt, Gina Richardson, Kathy Ross, Lynn Smith, Jack Strain, and Lisa Turpin all voted aye; motion carried.

New Business unforeseen at the time of the posted agenda –

OU Physicians in Oklahoma City will be out of network with BlueCross if contracts are not negotiated by February 28, 2021.

Information will be sent to groups regarding the Annual Renewal Period (ARP) and will have until March 31st to make changes to the way they offer benefits. ARP will open to employees on April 1st and end May 31st.

Kristie Moles made a motion to adjourn. Gary Nielsen seconded. Roll call vote completed.

Heath Dobrovolny, Tammy Malone, Cindy Pratt, Gina Richardson, CJ Rose, Kathy Ross, Lynn Smith, Jack Strain and Lisa Turpin 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