

January 20th, 2022, OPEH&W Board of Review Meeting

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

Board Members Present:

Mike Bouvier – Washington County
Heath Dobrovolny – Kingfisher County
Tammy Malone – Craig County
Jymay McLeod – Roger Mills County
Kristie Moles – Pawnee County
Gary Nielsen – Harper County
Cindy Pratt – Grant County
Kathy Ross – Johnston County
Gina Richardson – Cimarron County
CJ Rose – Beaver County
Lynn Smith – Ellis County
Mike Sparks – Elk City Schools
Jack Strain – Texas County

Board Members Absent:

Mike Brittingham - Pushmataha County
Lisa Turpin – Seminole County

Guests:

Matt Jacobson – OMAG
Lorie Legere – Garfield County
Vicki Hutcheson – Garfield County
Marc Bolz – Garfield County
Gayle Thornton – City of Stroud
Max Hess – Grant County
Tammy Brown- Pontotoc County
Keressa Kerr – Pontotoc County
Shelley Snider – Pontotoc County
Kristen Dowell – Washita County
Kristi Vandever – Pawnee County
Carl Munson – Lincoln County
Noel Hunter – Cherokee County
Lonnia Gatewood – Cherokee County
Kevin Duke - Auditor
Dana McElroy – Plan Administrator
January Gilmore – Plan Administration Office
Jennifer Schnelle – Plan Administration Office
Ross Naylor – Plan Administration Office

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

Agenda Item A – Approval of the minutes of the last Board Meeting dated November 18th, 2021

Heath Dobrovolny made a motion to approve the minutes. Mike Bouvier seconded.
Tammy Malone, Jymay McLeod, Kristi Moles, Gary Nielsen, Cindy Pratt, Gina Richardson, CJ Rose, Kathy Ross, and Mike Sparks all voted aye. Jack Strain and Lynn Smith abstained; motion carried.

Agenda Item B – Discussion and possible action thereon regarding financial position of the Plan Ending 11-30-2021.

Dana McElroy reviewed the financial position of the Plan. Total cash on hand was \$657,822. Investments totaled \$4,882,587. Total unpaid premiums were \$2,659,092. Total current assets are \$8,199,501. Accounts payable was \$2,376,964. Bank loan payable was \$3,004,000. Current liabilities totaled \$5,380,964. Premium income totaled \$18,997,418. Reinsurance refunds totaled \$39,985. RX Rebates received was \$1,149,592. Subrogation refunds received was \$21,495. Total income was \$20,243,915. Total claims expense was \$18,752,385. PCORI fee was \$22,609. Administrative fees totaled \$424,228. Claims processing fees totaled \$1,174,295. Stop-loss fees were \$628,949. Group Life insurance was \$560,279. Vision Insurance was \$241,701. All other expenses totaled \$58,401. Total expenses were \$21,862,847. Leaving a total net income of \$-1,618,932.

Claims and expenses have continued to climb throughout December and in the first 3 weeks of January. Most of these claims are due to COVID. The Plan can only borrow another \$1,000,000 from the Bank loan which will not be enough to

cover the current claims owed. There is a possibility of assessing a surcharge and some groups could possibly use ARPA funds to cover their portion.

Kristie Moles made a motion to table the financials. Cindy Pratt seconded.
Mike Bouvier, Heath Dobrovolny, Tammy Malone, Jymay McLeod, Gary Nielsen, Gina Richardson, CJ Rose, Kathy Ross, Lynn Smith, Mike Sparks, and Jack Strain all voted aye; motion carried.

Agenda Item C – Discussion and possible action thereon regarding 2020/21 Plan Year Audit.

Kevin Duke presented the findings for the Plan Year Audit. Total assets at the end of 2021 were \$8,108,799 compared to \$9,441,000 the previous year. Accounts payable was \$2,867,310 compared to \$1,122,211 the prior year due to high claims. The fund balance was \$4,437,470 in comparison to over \$6,000,000 the previous year. Total revenue was \$49,051,155 compared to \$47,394,051 in 2020. There were no findings or adjustments to report.

Jack Strain made a motion to approve the 2020/21 plan year audit. Mike Bouvier seconded.
Heath Dobrovolny, Tammy Malone, Jymay McLeod, Kristie Moles, Gary Nielsen, Cindy Pratt, Gina Richardson, CJ Rose, Kathy Ross, Lynn Smith, and Mike Sparks all voted aye; motion carried.

Agenda Item D – Discussion and possible action thereon regarding 2022/23 Plan Year Actuary Study.

The actuary is recommending a 21.8% rate increase on the Diamond plan with a negative increase on the dental and vision plans. There are also details about implementing a high deductible plan option in the future. There are also some suggested plan design changes to help minimize the rate increase.

Mike Bouvier made a motion to approve the 2022/23 plan year actuary study. Cindy Pratt Seconded.
Heath Dobrovolny, Tammy Malone, Jymay McLeod, Kristie Moles, Gary Nielsen, Gina Richardson, CJ Rose, Kathy Ross, Lynn Smith, Mike Sparks, and Jack Strain all voted aye; motion carried.

Agenda Item E – Discussion and possible action thereon regarding 2022/23 Administrative Contract.

The plan administrator hasn't made any changes to the contract and hasn't taken a rate increase in 4 years. There is a 10% increase being requested for this year. The current contract allowed for a 5% increase each year, however the plan administrator did not take the increases to help keep cost down.

Mike Bouvier made a motion to approve the 2022/23 administrative contract. Cindy Pratt seconded.

Roll call vote completed.

Heath Dobrovolny, Tammy Malone, Jymay McLeod, Kristie Moles, Cindy Pratt, Gina Richardson, CJ Rose, Kathy Ross, Lynn Smith, Mike Sparks, and Jack Strain all voted aye; Gary Nielsen voted no; motion carried.

Agenda Item F- Discussion and possible action thereon regarding 2022/23 Plan year BCBS ASO & Stop Loss contract.

The medical ASO contract with BlueCross is increasing by 2.4% and the dental ASO by 4.8%. The Stop loss will increase by 9.8%.

CJ Rose made a motion approve the 2022/23 ASO and Stop loss contract with BlueCross. Gina Richardson seconded.
Mike Bouvier, Heath Dobrovolny, Tammy Malone, Jymay McLeod, Kristie Moles, Gary Nielsen, Cindy Pratt, Kathy Ross, Lynn Smith, Mike Sparks, and Jack Strain all voted aye; motion carried.

Agenda Item G – Discussion and possible action thereon regarding 2022/23 & 2023/24 Plan Year VSP contract.

VSP is offering a 2 year contract with no rate increase. Walmart and Sam's club will now be in-network. There is a new benefit which covers medical eye care for a \$20 co-pay. These services include retinal screening, medical exams and treatments for eye conditions and better support for eye disorders or diseases.

Cindy Pratt made a motion to approve the VSP contract. Kathy Ross seconded.
Mike Bouvier, Heath Dobrovolny, Tammy Malone, Jymay McLeod, Kristie Moles, Gary Nielsen, Gina Richardson, CJ Rose, Lynn Smith, Mike Sparks, and Jack Strain all voted aye; motion carried.

Agenda Item H – Discussion and possible action thereon regarding 2022/23 Plan Year Benefits and Rates.

Ross Naylor reviews the Plans premium rate history over the last 15 years and the many free benefits the Plan offers. In 2021, COVID claims through the end of November totaled \$3,761,225. Other impacts to the plan include the inflation rate of 7.5% and a new OK law impacting the cost of Specialty drugs that has cost the plan around \$700,000. There were 102 high-cost claimants compared to 87 in the previous plan year. High-cost claimants are those members who have had paid claims of \$50,000 or more. Ross reviews the many free benefits the Plan offers, the positive impact these programs have and the number of members using these benefits. The generic dispensing rate increased to 87% which is a savings of \$187,000. There has been an increase of 27% in the use of specialty medications.

Currently, the Plan offers a program through BlueCross which offers certain medical procedures such as cardiac care, knee/hip replacements, spinal surgeries, and transplants covered at 100% if the services are performed at a BlueDistinction center. The plan administrator is proposing requiring the use of BlueDistinctions for these types of procedures. The procedure would be covered at 100%, but if members do not use BlueDistinction centers for these procedures then they would have an out of network cost. The plan could save 3% on the rate increase by implementing the use of BlueDistinction.

CJ Rose made a motion to Implement the use of BlueDistinction centers. Jack Strain seconded. Mike Bouvier, Heath Dobrovlny, Tammy Malone, Kristie Moles, Cindy Pratt, Gina Richardson, CJ Rose, Kathy Ross, Lynn Smith, Mike Sparks, and Jack Strain all voted aye; Jymay McLeod and Gary Nielsen voted no; motion carried.

The Plan administrator is proposing a 9.5% rate increase on the diamond plan. The remaining plans would increase based on keeping the premium at a certain percentage lower than highest plan. The proposed benefit changes include increasing the deductible by \$500 for each plan, increasing the maximum out of pocket by \$2,000, increasing the urgent care and office visit copays to \$25. Increase the name brand prescription drug deductible on the diamond plan to \$75 and the prescription out of pocket maximum to \$2500.

There is no recommendation to increase dental or vision premiums.

Heath Dobrovlny made a motion to accept the 9.5% rate increase on Health only. CJ Rose seconded. Mike Bouvier, Heath Dobrovlny, Tammy Malone, Kristie Moles, Cindy Pratt, Gina Richardson, CJ Rose, Kathy Ross, Lynn Smith, Mike Sparks, and Jack Strain all voted aye; Jymay McLeod and Gary Nielsen voted no; motion carried.

Discussion and action on the 2023/2024 high deductible plan was tabled until the next meeting.

Kristie Moles made a motion to approve agenda item B, approval of the financials as presented. Mike Bouvier seconded. Heath Dobrovlny, Tammy Malone, Jymay McLeod, Gary Nielsen, Cindy Pratt, Gina Richardson, CJ Rose, Kathy Ross, Lynn Smith, Mike Sparks, and Jack Strain all voted aye; motion carried.

New Business unforeseen at the time of the posted agenda

None

Cindy Pratt made a motion to adjourn. Kathy Ross seconded. Mike Bouvier, Heath Dobrovlny, Tammy Malone, Jymay McLeod, Kristie Moles, Gary Nielsen, Gina Richardson, CJ Rose, Lynn Smith, Mike Sparks, 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