Meeting Minutes

Date & Time: 10am, June 18th, 2026
Purpose: Special Meeting of the OPEH&W Health Plan Board of Trustees
Location: ACCO Building, 429 NE 50th St, Oklahoma City, Oklahoma

Trustee Attendance:

CJ Rose	Beaver County	**Present**
Amy Gonzalez	Cimarron County	**Present**
Tammy Malone	Craig County	**Present**
Lynn Smith	Ellis County	**Present**
Steve Stinson	Grant County	**Present**
Gary Nielsen	Harper County	**Present**
Kathy Ross	Johnston County	**Present**
Emily Lee	Kingfisher County	**Present**
Mitch Antle	Washington County	**Present**
Kristen Moles	Pawnee County	**Present**
Brad Burgett	Pushmataha County	**Present**
Dana Brown	Seminole County	**Present**
Dolan Sledge	Texas County	**Present**
Matt Jacobson	OMAG	**Present (Online)**
Gary Starns	Pontotoc County	**Absent**

Guests Attending:

Ross Naylor	Plan Administration Office
Amber Hargrove	Plan Administration Office
Megan Gregory	Plan Administration Office
Lisa Augustine (Online)	Plan Administration Office
Jenny Vincent	Ellis County
Kerrie Cook	BCBS OK
Sheila Rice	BCBS OK
Christian Gray	BCBS OK
Chris Schroder	ACCO
Eugina Loudermilk	Coal County
Daniel Clements	CED 4
Brian Holland	OMAG
Teresa Green	OID
Judy Chance	CED4
Harold Nichols	ACCO
Jim Duncan	Benchmark
Shannon Green (Online)	The Village
Online Guest	SWODA
Deborah Miner (Online)	OMUSA
Jim Greff (Online)	City of Prague
Jan Dumont (Online)	Riggs Abney
Michael Abernathy (Online)	Town of Custer City
Susan Carter (Online)	SWODA
Kim Johnson (Online)	City of Morris
Carson Calavan (Online)	Gallagher Insurance
Caitlin Hinman (Online)	HUB International
Karla Eschiti (Online)	City of Walters
Bron Gardner (Online)	Cimarron County

Minutes:

There being 8 or more Trustees in attendance a quorum was declared. Chairwoman, Tammy Malone, called the meeting to order at 10 AM.

Agenda Item 1: Oklahoma Insurance Department – Hazardous Condition & Order Filing

The Oklahoma Insurance Department Insurance Commissioner, Erin Wainner, and Assistant General Counsel, Teresa Green, addressed the Hazardous Condition and Order filing. Specifically, they acknowledged understanding that the language used in the filing has caused great worry and confusion. They went on to explain that the filing is a mechanism the department utilizes to understand what actions or planning exists to address issues and to ensure ongoing financial stability, and that in this case, the filing was in response to OPEH&W's 2024/2025 plan year audit, reflecting the financial position as of 6/30/2025, where negative numbers were shown.

The Oklahoma Insurance Department are at this point not aware of the many actions and initiatives the Board of Trustees has already taken and/or put in place to address matters relating to the 2024/2025 plan year, the purpose of the action is met with, and ensure OPEH&W and the Oklahoma Insurance Department understand how and what occurred during the 2024/2025 plan year, what actions have been made to rectify any issues identified, what lessons have been learned, and (if possible) what measures or plans have been enacted to prevent a re-occurrence. A follow-up statement from

the Oklahoma Insurance Department themselves is expected to be made to all participating groups clarifying this.

Additionally, once the Oklahoma Insurance Department have been satisfied, and the matter is closed, a statement expressing such will also be sent by them to all participating groups.

Steven Stinson made a motion to move Agenda Item 2 to be after Agenda Item 9. Lynn Smith seconded the motion. All voted aye and the motion carried.

Agenda Item 3: Special Assessment as of 5/14/2026

To date 83 groups have fully paid their portion of the assessment, with a further 6 groups continuing to pay in installments. This means $4,730,170 has so far been collected, with $269,829 outstanding. $26,482 of which is owed by groups paying in installments. There are 4 groups who are yet to pay their portion of the assessment. The city of Sayre, who are currently appealing to the board, and the town of Okay, who have had some leadership changes resulting in their delayed payment. The remaining two groups are Arnett Public Schools ($54,255) and Lincoln County ($159,647), both of which are leaving OPEH&W on 6/30/2026. Several communications to these groups to settle their obligations have been made without success. As a result, collection of these outstanding amounts has now been turned over to OPEH&W's legal counsel to pursue.

Agenda Item 4: Benefit Performance as of 5/31/2026

May was a better claims month than March and April, helping to improve our plan year to date position. However, monthly medical claims experience continues to remain about $400k higher than actuarially expected levels. The current understanding is that this should be considered the new norm. It is almost entirely being driven by medical claims cost inflation, whose growth is outpacing expectations across the country, this is not an OPEH&W exclusive experience. There is some positive news, when comparing the current plan year to the previous plan year, the network changes and other initiatives OPEH&W has put in place to curb costs are definitely having a positive impact, with Per Member Per Month Spend (the cleanest indicator to measure performance) declining from $1,388 during the 2024/25 plan year to $1,129 for the current plan year to date. This equates to an 18.6% reduction. This is almost entirely as a result of lower specialty drug costs, with Rx claims costs down significantly.

Agenda Item 5: Air Ambulance Claims as of 5/31/2026

Concern for the over-use/reliance of costly air ambulance claims continue. With another 5 flights covered in May alone. While no argument can be made for coverage of air ambulance flights in emergency situations, there use in minor scenarios is costly, wasteful, and boarders on the absurd. Roughly 1/3 of air ambulance claims result in no hospital admission. For the current plan year through May (11-months) there have been 34 flights. So far, this is a 48% increase, exceeding by 11 the 23 flights for the entirety of the previous plan year. Air Ambulance claims currently equate to 4.86% of OPEH&W's claims costs. This is a problem which continues to increase in significance. Solutions are needed; however, these will need to occur at the legislative and regulatory level.

Agenda Item 6: Script Sourcing as of 5/31/2026

The ongoing roll-out of the Script Sourcing initiative continues to gather momentum. The scope of opportunity from this program has changed, with the coverage of the GLP-1 class of medications no longer included. This is because the costs for these medications have fallen considerably with the launch of new oral versions and federally backed assistance initiatives, therefore, the savings potential for OPEH&W no longer exists. However, as of 5/31/2026, 78 members are sourcing 181 prescriptions through the program. This has resulted in $200,000 in savings since the program's inception. Annualized this would equate to $1.75MM, with OPEH&W saving 51% on those medications. There is still a lot of potential to capture in this program, and roll-out efforts will continue. Group help and support in spreading the message is requested.

Agenda Item 7: Over 65 Active Spouses as of 5/31/2026

At the start of the plan year, there were 51 covered over 65 active spouses. During the past 12-months, these 51 individuals incurred $2.75MM in claims. Through the administration office's ongoing efforts to offer a voluntary Medicare supplement plan as an alternative, this high risk covered population has been reduced by 4 to 47. Additionally, there are 8 individuals who will be leaving when their group leaves on 6/30/2026. Also, another 3 individuals will also transition to a Medicare solution as of 6/30/2026. This means this high-risk population has been reduced by 15 to 36. A reduction of 29% over a 5-month period. There are certain obstacles hampering this initiative, such as confusion and scam fear, however, efforts will continue to further reduce this high-risk population.

Agenda Item 8: Woods County Lawsuit

The lawsuit and legal activities are continuing. There has been some momentum, however, there is nothing specific to report at this time.

Agenda Item 9: Groups Leaving

There are 9 groups leaving on 6/30/2026. The four largest of these groups are considered consistently high/over utilizers over the past 3 plan years, demonstrating claims 20% 40% higher than premiums received. Their loss as participating members is beneficial. Additionally, as defined in OPEH&W's governing documents, groups leaving are fully responsible and invoiced for any run-out claims incurred. Run-out claims are claims paid after the group has left. Given the performance the groups leaving, these amounts are expected to be significant. Monthly reporting of these amounts will be provided to the board during future meetings. It can take up to a year for all potential run-out claims to be reported by healthcare providers.

Brad Burgett made a motion to return to Agenda Item 2. Emily Lee seconded the motion. All voted aye and the motion carried.

Agenda Item 2: Financial Position as of 5/31/2026

Ron Kaufman, CPA, reported on the financial statements and the changes to their format that he and his firm, who have been utilized by the Plan Administrator to assist the transfer of accounting data from the Sage 50 platform to QuickBooks, have made. See supporting financial statements.

Stop-Loss Reimbursements were emphasized, as for first time in several plan years, there have been members who have breached the stop-loss attachment point, resulting in re-insurance policy reimbursement. So far this plan year $224k has been received in re-imbursements. In June, there is an additional $310k guaranteed to be received, with a further $200k possible also.

The Plan Administrator, Ross Naylor, warned that rates for the upcoming plan year appear to have been set too low. While the board relied on and followed the recommendations of the actuarial studies when setting rates in January, that study utilized claims experience data through 11/30/26. However, the landscape has changed significantly, not only in Oklahoma, but nationwide, with health claim inflation rampant. The concern is that it would be risky and potentially undo all the recent hard work done if an additional rate increase wasn't passed. Even with the roll-out of recent initiatives, the loss of several large over-utilizing groups, and a 9.9% increase for 7/1/26, it is felt that an additional 12.5% increase in rates be considered.
Discussion was had on when and how this might occur, and if it would only apply to the member/employee coverage tier and not spouse and dependents. No agreement was reached, and as consideration and action on this topic was not an agenda item, no action was taken.

It was addressed, that leaving OPEH&W would not allow for avoidance, as employees and their families would see significant increases in out-of-pocket costs, with the loss of OPEH&W's Making Healthy Cheaper benefits, the cost of run-out claims; increased rates would be in-line or similar to the increases seen or expected throughout the market.

Agenda Item 10: SB202

OPEH&W's Lobbyist – Laura Fleet reported that the bill died due to no action being taken and the shortened legislative session, despite the bill passing both houses and the Oklahoma Department of Health removing their objection. The bill can be re-introduced at the next legislative session.

Agenda Item 11: SB2074

This bill passed both houses but was vetoed by the Governor. The bill is now considered dead. This bill would have increased Rx dispensing fees for OPEH&W from $0.60 to $11.41 for every prescription. This would have increased claims costs considerably and necessitated a 2.5% rate increase to handle the additional expense.

Agenda Item 12: New Business, unforeseen at the time of the posted Agenda

No new business. Will remove this agenda item from future Special Meeting Agendas.

Agenda Item 13: Adjourn
Gary Nielsen made a motion to return to adjourn. Mitch Antle seconded the motion. All voted aye and the motion carried.

Chairwoman, Tammy Malone, thanked everyone for making the long drive to attend, and declared the meeting closed at 11:22 am.

Attestations:

Secretary of the Board of Trustees	Notary Attesting To My Commission Expires:
Chairperson of the Board of Trustees	Notary Attesting To My Commission Expires: