

School Insurance Pool ADVISORY COMMITTEE MEETING

February 21, 2022 - Virtual

MINUTES

- Present:** Todd Holthaus, Chair – Hills/Beaver Creek
Liz Windingstad, Vice Chair - HR Director – Willmar
Keith Kottke, Superintendent - Springfield
Wayne Wormstadt, Superintendent – Windom
Ryan Nielsen, Superintendent – Canby
Adam Spray, Chief School Business Official - Montevideo
- Staff:** Doug Deragisch, Consultant
Cliff Carmody, Executive Director
Carli Bothun, Insurance Specialist
Randy Erdman, Director of Finance
Bobbie Carmody, Administrative Assistant
- Item 1:** **Call to Order**
Keith Kottke, Chair, called the School Pool Advisory Committee meeting to order at 10:10 am virtually over Microsoft Teams.
- Item 2:** **Appointment of Chair & Vice Chair**
Keith Kottke nominated Todd Holthaus for Chair and Liz Windingstad for Vice Chair. Motion by Wayne Wormstadt, seconded by Adam Spray, that nominations cease, and the secretary cast a unanimous ballot for Todd Holthaus as Chair and Liz Windingstad as Vice Chair. Motion passed unanimously.
- Item 3:** **Agenda Approval**
Motion by Wayne Wormstadt, seconded by Keith Kottke, to approve the agenda as presented. Motion passed unanimously.
- Item 4:** **Approval of Minutes – February 22, 2021**
Motion by Wayne Wormstadt, seconded by Keith Kottke, to approve the minutes from the February 22, 2021, meeting. Motion passed unanimously.
- Item 5:** **Advisory Committee Membership**
A recommendation regarding membership of the Advisory Committee effective July 1, 2022, was presented. The recommendation consisted of each large group of the pool having representation on the committee either by the superintendent or business manager. Small group representation on the committee would remain at three representatives. Clarification was shared on the definition of a large group, which is groups with 50+ contracts. Small groups are less than 50 contracts and medium size groups no longer exist as they were folded into the large group category. No election process to serve on the committee would be conducted, it would be by volunteer basis. Discussion followed regarding representation of small groups and increasing the number to make for a more balanced representation of both small and large groups on the

committee. It was the consensus of the committee to have SWWC develop a proposal on committee representation for the Advisory Committee to review and discuss. A meeting will be held prior to the July 1, 2022, renewal to address this item.

Item 6: Financial Report

6.1 Pool Reserves Update

Insurance Pool reserve targets were reviewed with the Target Reserve (RSR) at \$2,383,082 or -102% as of 12/31/21; current pool reserves totaled \$15,540,532, which includes the \$1,142,258 pool refund received and is 65% of target; and the IBNR (claims runout) audited reserve account balance totaled \$3,514,631. The trending decline in reserves is a result of one-time spend down, high cases, COVID claims, and payment of runout claims of groups who left the pool.

6.2 2011-12 Settlement Issue Update

A response to SWWCs position not to pay back the \$2million dispute, due to the statute of limitations, has not been received from BCBS.

Item 7: SWWC Report

7.1 Medica Transition

An update on the CCOGA January 1 Pool renewal was provided with the pool seeing an increase in contracts effective January 1, 2022. Quoting of potential prospects was also up due to the partnership with Medica. Medica has two account managers assigned per group, specializing in certain areas, and has shown to be very responsive in their communications.

7.2 MHC/Medica Wellness Offerings

Health and Wellness program offerings were reviewed and included My Health Rewards, Healthy Savings, Sanvello, Ovia Health, Fit Choices by Medica, and Omada.

The 2021-22 SWWC Live Well Program offering is available to groups at \$70.00 for activities and/or biometric screenings for employees on the group health plan and Live Well Incentive Dollars are available for groups participating in the Wellness Incentive Program with employees being able to earn a \$500.00 incentive contribution into their VEBA/HSA.

7.3 Capstone – Enrollment Platform

Medica utilizes Capstone for their enrollment platform which is Benefit Solver. All group data for the renewal will be uploaded from BCBS and groups will then go in and manually enroll employees. Other platforms like EASE/Prize can also be sent to Benefit Solver.

7.4 Perkspot

PerkSpot is a new program offered by the MN Healthcare Consortium for members of the insurance pool that provides exclusive discounts for national or local merchants either in store or online. The program is free and can be shared with family and friends. A welcome email will be sent out from MHC/Medica to the PerkSpot site for individuals to create accounts.

7.5 Star Tribune Article

An article on Rating Agency Cites Governance Concern in Lowering Outlook for Blue Cross of MN was shared. The article emphasized a lack of track record amongst to executives, low profitability, and membership decline.

7.6 Market Trends for 2021

Market trends were shared attributing to the increase in health case costs. Some trends include delaying treatments, increase in COVID costs, mental health costs, health provider mergers and acquisitions, cost-shifting from government to private payers, threat of government health care intervention is low, talent wars, provider relief funds, provider margins suppressed, and underlying health risk factors.

Item 8: 2022-23 School Pool Renewal

8.1 SWWC Pool (50+ Contracts) Formula

The recommended 22-23 SWWC School Pool formula for 50+ contracts was reviewed as follows: 1) if needed is less than 15.0% give actual needed increase; 2) if needed increase is between 15.0% and 35.0% give 14.9%; if needed increase is more than 35.0% give 19.5% with a formula buy down of \$2,684,715. Discussion followed on different rating methodology used by Medica and rating of one group different than the formula calculation. It was the consensus of the committee not to give an additional savings to the specified group and give the formula calculation. Status of board targets after the 2021 buy down payment and 2022 formula buy down were also reviewed and its impact on reserves. Motion by Keith Kottke, seconded by Adam Spray, to approve the July 1, 2022, renewal formula for 51 or more contracts at a minimum of 5.5% with a maximum of 19.0% with an overall pool increase of 13.4% and use \$2,686,486 of pool assets to fund the renewal effective July 1, 2022. Motion passed unanimously.

8.2 MHC Statewide Small Group School Pool Formula Update

To date, the statewide small group school formula has not been determined.

8.3 Renewal Timelines

Renewal rates will be released the week of March 7 for large groups and the week of March 14 for small groups. Renewal confirmations are due by April 25. Open enrollment will need to be completed by May 13 to ensure delivery of ID cards by July 1.

Item 9: Minnesota Healthcare Consortium Updates

9.1 Medical Spending Account RFP Update

The MHC Board of Directors will meet on March 2 to recommend a new vendor effective July 1, 2022.

The purpose of the creation of the MN Healthcare Consortium was provided. Strategic planning surrounding the future of the insurance pools is being conducted. Communication regarding the results of this planning will be shared with pool advisory committees.

Item 10: Adjournment

The next meeting of the Advisory Committee will be held prior to July 1 to review Advisory Committee membership.

The meeting adjourned at 12:15 pm.