

School Insurance Pool ADVISORY COMMITTEE MEETING

February 22, 2021 - Virtual

MINUTES

Present: Keith Kottke, Chair - Springfield
Wayne Wormstadt, Vice Chair – Windom
Katie Foley, Director of Finance – Benson
Charlotte Lindberg, Payroll/HR Director – Murray County Central
Liz Windingstad, HR Director - Willmar
Ryan Nielsen, Superintendent – Canby
Adam Spray, Chief School Business Official - Montevideo

Absent: Todd Holthaus, Superintendent – Hills/Beaver Creek

Staff: Doug Deragisch, Senior Director of Administrative Solutions
Cliff Carmody, Executive Director
Kari Bailey, Public Sector Specialist
Randy Erdman, Director of Finance
Bobbie Carmody, Administrative Assistant

Guest: Geoff Martinson, BCBS

Item 1: **Call to Order**
Keith Kottke, Chair, called the School Pool Advisory Committee meeting to order at 10:03 am virtually over Microsoft Teams.

Item 2: **Agenda Approval**
Motion by Wayne Wormstadt, seconded by Katie Foley, to approve the agenda as amended with Item 7.2 - Live Well Program/Incentive Program being an action item. Motion passed unanimously.

Item 3: **Approval of Minutes – December 15, 2020**
Motion by Adam Spray, seconded by Wayne Wormstadt, to approve the minutes from the December 15, 2020 meeting. Motion passed unanimously.

Item 4: **Financial Report**
4.1 Pool Reserves Update
Insurance Pool reserve targets were reviewed with the Target Reserve (RSR) at \$3,437,828 or 109% as of 12/31/20; current pool reserves totaled \$15,540,532, which includes the \$1,142,258 pool refund received and is 49% of target; and the IBNR (claims runout) audited reserve account balance totaled \$3,514,631. It was noted the RSR typically experiences a decrease in the months of October, November, and December due to an increase in claims as individual deductibles are met, and high cost claims (cancer treatments, etc.) did continue through COVID and elective claims decreased.

4.2 2011-12 Settlement Issue Update

To date, 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 5: 2021-22 School Pool Renewal

5.1 COVID-19 Claims Report

SWWC School Pool COVID-19 claims (testing & treatment) were reviewed from August, 2020 through February, 2021 totaling \$692,060. For the month of February, the total included vaccine claims, for administering the vaccine, not the serum, which has no cost. Statewide School Pool COVID-19 claims were also reviewed and totaled \$6,155,707.

5.2 2021-22 School Pool Renewal

Discussion was held regarding the 2021-22 SWWC School Pool recommended formula. The total needed increase is 15.5% or \$4,856,661 needed income. Due to the high increase needed, it is being recommended to use a larger subsidy of pool reserves to buy down the renewal. The suggested formula presented is a minimum of -10% to a maximum of 12.5% and use 2.9 million of reserves to offset the renewal. Discussion followed on groups needed increase vs. formula increase, reserve totals after buy down, cost trend, settlements from previous years, and multi-year buy down potential, and quotes to groups from other carriers. Motion by Wayne Wormstadt, seconded by Ryan Nielsen, to approve the SWWC School Pool formula of a minimum of -10% to a maximum of 12.5%, use \$2,903,575 of pool assets to fund the renewal, and give SWWC management the authority to deviate from the formula as needed, up to \$500,000, effective 7/1/21. Motion passed unanimously.

5.3 MHC Statewide Small Group School Pool Formula

The formula for the MHC Statewide Small Group Pool (groups with 50 or fewer contracts) has not been calculated to date. Communication will be sent out to the Advisory Committee once it has been determined. Groups can expect it to be similar to last year, with no reserves being used to offset the rates.

Item 6: Minnesota Healthcare Consortium Updates

6.1 Carrier RFP Update

The Carrier RFP process continues with best and final offers being received from three finalists. The MHC Board of Directors will meet on March 3 to make a carrier recommendation. The overall bid process has been competitive, which will benefit pool membership.

6.2 New Plan Portfolio

The new MHC Plan Portfolio and menu of benefit designs was reviewed. The portfolio consists of 14 different voluntary plans geared towards small groups (less than 50 contracts), and will also be made available to groups with over 50 contracts, effective 7/1/21.

6.3 New Voluntary Vision Products

New voluntary vision products through VSP Vision Care will be made available to groups effective 7/1/21. Information on these offerings will be included in group bid packages. If interested, please contact SWWC who will then contact VSP. Questions followed regarding groups who already have coverage through VSP.

Item 7: SWWC/Pool Updates

7.1 2021-22 Mandatory Bid Important Dates

7.1.1 Bid Opening Dates

The mandatory bid timeline was reviewed. The bid opening window begins on March 22 and ends on April 1. Official decision by district must not be made until 15 days from bid opening and no later than May 3.

7.1.2 Electronic Sealed Bid Concerns

Concerns were expressed surrounding the electronic delivery of sealed bids. SWWC will be sending their RFP bid responses to groups via regular mail as stated in the mandatory bid statute, unless the groups RFP requests to send electronically.

7.2 Live Well Program/Incentive Program

Due to Mari Wagner's resignation, Kari Bailey will be assisting with the Wellness Program in the interim. The 20-21 Live Well Program is in process with deadlines scheduled in April. Discussion was held regarding 21-22 Live Well funding amounts. Motion by Adam Spray, seconded by Wayne Wormstadt, to approve 21-22 Live Well funding amounts of \$30.00/contract for program activities, \$40.00/contract for screenings, and \$500.00 for incentives. Motion passed unanimously. Comments followed regarding potential federal regulation impacts on incentives relating to outcome vs. participation based programming.

Item 8: Important Dates

The MN Healthcare Consortium Board of Directors will be meeting on March 3, 2021 to select a carrier from the recent RFP process. Doug will inform the Committee of the selection as soon as he is able.

Item 9: Adjournment

Motion by Wayne Wormstadt, seconded by Ryan Nielsen, to adjourn the meeting. The meeting adjourned at 11:25 am.