## CHURCHILL COUNTY INSURANCE ADVISORY COMMITTEE MINUTES OF MEETING – October 16, 2012

The meeting was called to order at 1:35 pm by **Geof Stark** at Conference Room 102 of the Churchill County Administrative Complex, 155 N. Taylor Street, Fallon, NV.

**Present:** Geof Stark Diane Wargo Lacie McAfee

Debi Kissick Patti Lingenfelter

**Absent:** Jon Haugen Cindy Wright

**Others Present:** Roger Olsen of L/P Insurance Services, Inc.

Posting: Chairman Stark verified that the agenda was posted in accordance with the NRS

Open Meeting Law; **Debi Kissick** confirmed that it was.

**Public Comments:** There was no public present.

Review and Adoption of Agenda: Chairman Stark asked if there were any changes to agenda; Debi Kissick said there were none. Diane Wargo moved to accept the agenda as submitted; Lacie McAfee seconded the motion and the decision carried unanimously.

Approval of Minutes for the September 18, 2012 Meeting: Patti Lingenfelter moved to approve the September 18, 2012 Minutes as written; Lacie McAfee seconded the motion and the decision carried unanimously.

Review of Monthly Status Report: Roger Olsen of L/P Insurance went over the monthly status report for July, August and September 2012 (see attached, Exhibit "A"). What we have before you is based on what we've been able to get so far, which is basically the premiums paid and claims paid to date. He noted that under RX premiums paid it has a zero because they lump all of the premiums together and show the combined premium under medical. However, under claims they break out between the medical and the RX. In July there were no medical claims paid, but there was \$18,675 in RX claims. He said that it was customary to hold claims for the first month to ensure everything is entered properly and set up in their system before they process any claims. For the month of August there were \$68,204 in medical claims and \$19,895 in RX, for a gross paid loss ratio of 64.3%. September was another good month with \$80,894 in medical claims and \$19,121 in RX for a total of \$100,015 and a gross paid loss ratio of 71.6% bringing our gross year-to-date totals to 50.2%. This is normally what we see for claims in the first quarter because there normally is about a two-month turn around between when the charge is actually incurred, when the provider's billing service actually bills it and then for the carrier to process it. He expected October to be approximately the same as September, maybe a little higher.

Chairman Stark commented that from the EOB's he had received, he noticed St. Mary's had gotten much better deals with the local providers than Cigna. Although we employees don't see a difference because our co-pay is the same, the higher prices being paid out will reflect in our claims history, which means we may expect to see an increase in premiums.

Exhibit 2 is the graph showing our claims history. There are no large claims through the first quarter. Hopefully next month Mr. Olsen will have more information in our reports for the Committee. Two days ago we received a lot of the information we requested, but it was for all three months lumped together, so we got back to them and said we needed to have it broken out by month. He did get something late last night, but had not had a chance to review it yet. They will use the same template they have been using for our monthly reports, it is just a matter of getting and deciphering the information from Cigna. What they used to receive from St. Mary's

in three pages, they get from Cigna in five reports, of at least five pages each. So it will take some time adjusting to what their system reports.

Chairman Stark recollected nine or ten years ago, when we switched to St. Mary's, ABD had to push them to get the information we wanted. **Patti Lingenfelter** said that with as much reporting is required, they should expect people to want the detailed information because people want to do the analysis, etc. to get the stuff figured out. **Mr. Olsen** concluded that they hope they will continue to be able to break down the reports with everything we need—we'll just have to wait and see. The Committee thanked Roger for presenting the information he had and for continuing to push for the details we want in our reports.

Election for Insurance Committee - Expiring Terms for Jon Haugen, Cindy Wright, and Geof Stark: Chairman Stark noted that the terms for Jon Haugen, Cindy Wright and himself were coming due at the end of December. He said he would send out nomination forms in the next week or so. Notices are supposed to go out with the first paycheck and we're supposed to hold elections by the second paycheck, which sometimes doesn't work out. Patti Lingenfelter asked if Cindy had indicated whether or not she wanted to continue to serve; Geof was fairly certain that Cindy wanted to stay on the committee and hadn't heard anything to the contrary. The committee noted the importance of maintaining a member from the Sheriff's Office or the District Attorney's Office, because they both have such large staffs. The difficulty at the Sheriff's Office is the changing shifts, which makes it difficult for them to make the meetings regularly. For a while Beth Hill from the D.A.'s office was attending and she has experience in the insurance field. So maybe she would be interested in serving. We'll see what kind of nominations we get. It is better for this committee to have members who are willing to serve for multiple terms because it takes a while to get everything down and learn how to read the reports, etc. We will place this on our next agenda, though we probably won't be ready to take any action at that meeting.

Insurance Questions from County Employees: Diane Wargo brought in the EOB for the dental situation she had raised last month at our meeting. She and her husband went to the dentist and had the same exact procedure done on the same day, a cleaning, but insurance paid more on his than they did on hers. The charges were identical but they listed a second code on her EOB stating that because they were a participating PPO they were not supposed to charge some of the charges, but they did not use the codes on his and paid more for his identical services. Interestingly, the EOB was two-sided with Diane's claim on one side and her husband's on the other side rather than separate sheets of paper. All of the local dentists were listed as participating providers. Geof Stark asked if he could make a copy of the EOB for himself and Roger, just to make sure it gets figured out and taken care of; Diane obliged. She noted that there were two different billing numbers, under Probst and Weed's office, but the numbers underneath are different. She went to Cari Jaques and he went to Probst. Mr. Olsen said the different numbers might be because they are different doctors, but if they are both Preferred Providers, it still doesn't make sense. He said he would email her a release form so Sun Life can talk to him and they can get it figured out.

Chairman Stark noted that Sara Browning had advised him that when an employee contacted her with a question she discovered that Cigna had not been paying St. Mary's Hospital as a Preferred Provider. That was the reason for the email he sent out to all of the employees, in case anyone had something done at St. Mary's they can let him know or resubmit the claim so it gets paid properly. Sara actually requested that we give her contact information to the employees so she could help them.

Patti Lingenfelter noted a situation that one of her employees had a colonoscopy or something like that, a normally covered procedure and they paid it. Then eight months later got a bill from the anesthesiologist. So now they have to resubmit, but they have to submit it to St. Mary's. She thought Naomi was going to forward this information to Geof, but she didn't know it that had been done or not. This should have all been paid at the same time, but the anesthesiologist waited almost eight months to submit a bill! Mr. Olsen referred to a conversation he had earlier this morning—there was a hospital in a smaller town down south that he handled about 25 years ago, when he running a claim TPA operation. He had seen an article in the newspaper stating that they were having some real cash flow problems. He said they were handling one of the accounts down there and it was taking them six to eight months to generate a bill. If they are having cash flow problems, you would think they would have the generated and out the door by the end of the week!

Chairman Stark advised everyone that his daughter went to an endocrinologist because she were having some issues with her thyroid and the endocrinologist did a little ultrasound in the office. If she would have come down to the hospital and had the ultrasound done it would have been 100% covered as lab work, to do it in a doctor's office it was not covered. As an in office procedure it was \$160, which isn't a lot of money, but because it was done in the office she had to pay it. Mr. Olsen said usually things are cheaper when they are done at the doctor's office, so this didn't make any sense. Geof concurred and said he also knows people that needed an EKG that went to the hospital and they said it was not a basic diagnostic procedure and they would need to pay x-amount for it, so they went to their doctor's office and paid the \$20 co-pay and the doctor did the EKG there. That was on St. Mary's, but that is something for all of us to consider. Mr. Olsen thought it might be part of the strategy to avoid doctors doing things that don't need to be done, because they get paid for everything they do no matter what the outcome, they get paid per procedure. Across the country ACO's/Accountable Care Organizations are looking into cooperating and coordinating and sharing of information between the physicians, labs, X-rays, the hospitals and pharmacies across the board. It is quite an involved process and will take quite a while for it to work. This would be the ultimate way to see the overall care that is needed so patients are not sent from doctor-to-doctor-to specialist, etc. The idea of coordination, sharing information and efficiency is great.

Mr. Olsen added that a number of states, including Nevada are doing what is called telephonic medicine and the other is a computerized database where the doctors, hospitals, and labs all participate so that all of your records are in one spot. That is being utilized and is in its infancy at this point. It is quite expensive to get all of the doctors, hospitals and labs to have the right software and equipment. Patti Lingenfelter noted that once it's set up it will be so streamlined and efficient that it should be less expensive for patients through elimination of errors and duplicate procedures, etc.

General Discussion of Insurance Committee Matters: A short discussion ensued regarding the Health Care Reform and the added costs it has brought to some people has not made it more affordable. Chairman Stark noted that their church has an insurance policy for the pastor and his family, and they have a daughter who has had heart problems since she was six weeks old. As part of the Affordable Health Care last year, they had a \$500 deductible that changed to \$1,500, and insurance only pays 70% instead of 80%. Their premiums dropped by about \$60 a month, but they will be paying more out of pocket than they did with the higher premiums. The insurance company said they sent a letter explaining the changes but no-one had seen anything and their insurance cards still showed a \$500 deductible. So Affordable Health Care is actually costing them more.

**Chairman Stark** noted that we will be holding flu shots for County employees and spouses only, whether they have insurance coverage or not. They do not need to have their insurance card. It will be next Wednesday, October 24<sup>th</sup> from 2:30 to 4:30. This time slot should work for the Road Department, Mosquito Abatement and probably the Sheriff's Office personnel getting off shift; **Patti** agreed.

**Debi Kissick** asked Geof if he knew if they had good response from the employees to fill out the wellness survey. He said that as far as he knew everything was up and running very well from the website, plus he asked for printable copies so people who work in the field can fill it out and submit it, this way we might have better participation. He thought it might be a little too early to know and that Pam Powell was waiting for a later date to start compiling the data.

**Public Comments:** There were none.

**Set Next Meeting Date:** The next regular meeting will be on Tuesday, November 20<sup>th</sup> at 1:30 pm in Room 102.

**Adjournment:** The meeting was adjourned at 2:08 p.m.

Respectfully Submitted,

Debi Kissick