



Caitlin M. Campbell ♦ Business Manager

501 Washington Street ♦ Pekin, Illinois 61554 ♦ 309/477-4744 ♦ Fax 309/477-4701

caty.campbell@pekin108.org

DATE: February 9, 2022

TO: Bill Link, Superintendent
Joe Franklin, Director of Human Resources

FROM: Caty Campbell, Business Manager

RE: MINUTES – INSURANCE COMMITTEE MEETING – 02/08/2022

The Insurance Committee met at 3:30 pm in the Washington Intermediate School PDS Room 108 with the following members present – Tonya Bruns, Becky Coleman, Joe Franklin, Peggy Golden, Sarah Schorr, Carrie Smith, and Caty Campbell. District Insurance Brokers, Matt and Mark Schellenberg, were also in attendance, as well as our BCBS representative, Holly Little. Committee members Vickie Armbrust and Jonathan Kingdon were unable to attend, as well as Board Representative Chris Spanos.

1. Joe Franklin began the meeting by welcoming those in attendance.
2. Joe then turned the meeting over to Holly and Matt to review our plan experience. We reviewed reports from the first half of our plan year, July – December 2021. Those reports compared the same time frame in the prior year, July – December 2020. Some key points that Holly made were as follows:
 - Over this time period, we have continued to see an increase in membership. We have 702 members in the plan at the end of December. The average age for the 2021 plan year to date is 32. Less than 20% of members enrolled in the plan are over the age of 50.
 - During the first half of the year, we've had an increase in the amounts billed for medical services, by 12%. After all discounts and adjustments were factored in, the plan paid about 22% more than it did last year. These amounts have leveled off from our last meeting when we looked at the July – September quarters.
 - We did examine the medical loss ratio over the last 12 months (January to December 2021). This ratio is at 91.8%. BCBS's desired loss ratio is in the low 90s, so we are right where we need to be, we just need this to hold steady.
 - We have 553 claimants that have paid claims under \$5,000. Only a handful of claimants have claims that exceed \$50,000.
 - We continue to have a large majority of claims (90.2%) that are under the \$500 out-of-pocket mark.
 - Regarding prescriptions, overall prescriptions have increased 8.5% from the 2020 time period. Holly believes this is due to COVID vaccinations. The total amount of prescriptions have increased from the prior period, but the specialty prescriptions have decreased, which is encouraging when looking towards renewal. Our generic substitution rate is

99.1%, which means members choose generic 99.1% of the time when it is an option. This is a great way for our membership to manage costs.

- The dental loss ratio is at 78.7%. BCBS would prefer this number to be in the mid 70's, so we are just a little high.
 - Our renewal will be based on data through February 2022. We have a couple more months beyond what was discussed today to add in before the renewal will be calculated.
 - BCBS will cover up to eight at home tests per person per month. These should be purchased through the pharmacy so they can be run through insurance. If they are paid for out of pocket, members can submit a claim for reimbursement. These tests are not as accurate as those run through a lab, but they will provide peace of mind.
2. Holly also brought some information pertaining to a BCBS Member Rewards Program. This is a new program for fully funded plans such as ours. The program has been in place for several years for self-funded plans. While the concept of the plan is fabulous, to be fully implemented and beneficial to members, there needs to be a change in member mindset regarding cost management for planned procedures. This involves time necessary to research locations where planned procedures could be performed and the associated costs, which may be an additional burden on staff and family members right now. There is an administrative cost for our plan to enroll in this program, so we will keep this program in mind for future discussion.
 3. The renewal will be presented to the Board at the April meeting so we should be on schedule to have open enrollment in May. Information will be posted to the website, like it has in the last couple of years. Employees will be able to print enrollment forms for any plan enrollments or changes.
 4. At this point, we do not have another Insurance Committee meeting scheduled for the 2021-2022 school year. Should our renewal warrant another meeting, we will meet in late March.