

KPBSD Health Committee HCPC
December 7, 2011 meeting minutes

Meeting was called to order at 2:48 PM by Bruce Rife.

ARTICLE VIII: VOTING

Section I – All decisions of the HCPC must be made by a quorum of members.

A. A quorum consists of at least 6 voting members being physically or electronically present at the meeting.

Voting members present

- AB Nancy Courtright, HCPC secretary, KPEA
- X Vaughn Dosko, KPAA
- X Mike Druce, KPEA
- X Carl Locke, KPESA
- X Bruce Rife, HCPC chair, KPEA
- X Patty Sirois, KPESA
- X Betty Miller, KPESA
- X Terri Zopf-Schoessler, KPEA

Quorum present X Quorum not present

Administration and consultation

- AB Tim Peterson—Plan Administrator
- AB Stacey Gorder—Employee Benefits Manager
- X Colleen Savoie—Benefits Account Executive, Parker-Smith-Feek on speakerphone
- AB Laurie Olson—KPBSD Finance Director
- AB David Jones—Assistant Superintendent

Guests

- X Ladawn Druce, KPEA president
- X Keri Clark, AEA

I. Agenda

- X Approved. Motion: Terri. Second: Betty. Vote: Unanimous.
- Approved with additions.
- Not approved.

II. Minutes—10/19/11

- X Approved. Motion: Terri. Second: Betty. Vote: Unanimous.
- Approved with additions.
- Not approved.

III. Unfinished business

➤ Physical reimbursements

The report on the actual amount reimbursed to the health care plan from the district's physical reimbursement fund was tabled until district administration was present.

➤ Health Care Reform Act ramifications

SUMMARY OF COVERAGE REQUIREMENTS FOR HEALTH CARE BENEFITS: The benefits/coverage requirements that go into effect in March, 2012 have been postponed until the new rules and regulations are finalized.

SUPREME COURT HEARING: The U.S. Supreme Court will hear the case regarding constitutionality of the individual mandates provision; a decision is expected by June, 2012.

➤ Communications between the district and employees regarding health plan changes

INFORMING DISTRICT EMPLOYEES: A wide-ranging discussion on the best methods for informing district employees about changes to the health care plan took place. Suggestions that emerged included:

- A. Patty offered to create large posters with health care information to be posted in each building. KPEA and KPESA members volunteered to take care of creating, funding, and distributing these posters.
- B. Ladawn asked that health plan changes be emailed directly to her for further dissemination through the employees' unions.
- C. Colleen said that she was happy to review plan language at any time.
- D. Mike asked that employees be notified of plan changes in as many ways as possible, so employees could avoid "not knowing" in the future.

➤ Employee numbers on the insurance spreadsheets

CLARIFICATION ON NUMBERS OF EMPLOYEES: Discussion over the exact number of employees listed on the district health plan spreadsheets was tabled until January.

IV. Reports

___ Tim Peterson—Plan Administrator
___ Stacey Gorder—Employee Benefits Manager
___ Colleen Savoie—Benefits Account Executive, Parker-Smith-Feek
___ Laurie Olson—KPBSD Finance Director

Reports will resume in January.

V. New business

➤ Request to provide information on providers frequently exceeding UCR

Colleen was unable to provide information on specific providers who frequently exceed the UCR, the "usual, customary and reasonable" costs, because a provider may be over UCR on some procedures but not on others. Specifically, based on the committee's question, she had asked Rehn to pull statistics on Alaska Heart Institute claims. Of the SD claims processed by Rehn, there have been 5 claims over the UCR allowable expense by more than \$1,000 (out of 187 claims processed). Rehn utilizes an independent database, EMC/Captiva to determine UCR. Colleen shared that she recently worked with the administrator for another client to do a UCR study on Alaska claims using the EMC/Captiva database. Due to the size of the client and the geographic distribution statewide, she believes the results are meaningful for the Kenai SD population. In general when she looked at the data for a similar health care plan, she found that 90% of claims did not exceed the UCR, 8.4% cutback less than \$50, 1% cutback \$5-99, and the remainder (less than 1%) exceeded \$100. She also reminded the committee that PPO providers do not have UCR cutbacks due to the negotiated pricing.

➤ Recommended "smart practices" for employees: CPTs and provider reductions

Colleen recommended that concerned employees educate themselves about the health plan and ask for a pretreatment estimate, including the CPT (Current Procedural Terminology) codes, which are 5-digit codes used for billing and the provider's billing rates. If you know the procedure codes and provider's billed price you can compare the billed charges and compare them to UCR limits. With this information, it is also possible to go back to providers to request a reduction in the billing costs by showing them what the "allowable" UCR is for a specific procedure.

➤ Current list of PPOs

The district has direct contracts with Central Peninsula Hospital and South Peninsula Hospital. We have indirect contracts through a Multi-Plan Network recently purchased by Beech Street Network. Colleen will provide a list of these providers as soon as possible since the list is subject to change.

➤ Request for a KPBSD UCR Study

Colleen said that the plan could request a UCR study specific to this district after we have been with Rehn for more than a year since it takes time to accumulate useful information.

➤ Appeal process steps

1. Rehn review.
2. Internal appeal to the Plan Administrator, which may then go the HCPC.
3. Independent appeal.

CLARIFICATION: Committee members tabled further discussion of this process until the Plan Administrator was present to provide accurate details and time considerations, and further asked that Tim elaborate on his statement that “the appeal stops here” made at the last meeting: How does his statement fit with the negotiated contract?

NUMBER OF APPEALS: The HCPC also asks for the most current data on how many appeals have been generated with the new TPA.

Next meetings:

- Wednesday, January 11, 2012 @ 2:45 PM
- Wednesday, February 15, 2012 @ 2:45 PM
- Wednesday, March 7, 2012 @ 2:45 PM
- Wednesday, April 18, 2012 @ 2:45 PM
- Wednesday, May 16, 2012 @ 2:45 PM

Meetings are scheduled in the Risk Management portable.

Meeting adjourned at 4:29 PM. Motion: Patty. Seconded: Carl. Unanimous.

Respectfully submitted,
Terri Zopf-Schoessler