

April 24, 2024

1:00 – 4:00 p.m.

MEETING:

**SUPERINTENDENT’S INSURANCE ADVISORY
COMMITTEE (SIAC)**

Location:
ESF Board Room

Meeting called by: Amy Williams (BFT Chairperson)

Type of meeting: Advisory

Minutes by: Annette Spiegel

SIAC Members Present: Amy Norton Williams (instructional personnel/BFT); Anthony Colucci (instructional personnel/BFT); Kyle Savage (Instructional Personnel/BFT); Dimarcus Simmons (Support Services/Local 1010); Lisa Schmidt (Employee Benefits)

Staff: Matt Susin (Board Member); Cindy Lesinski (Chief Financial Officer); Joseph Strohfus (BPS)

Absent: Dr. Neleffra Marshall (School Administrators); Antonia Scipio (Director, Employee Benefits and Risk Management), Annette Spiegel (Risk Management)

Guests: Debbie Poole (Lockton); Rachael Friedman (Lockton); John Zutter and Ryan Burke (Surgery Plus); Drew Danieleley (Carrum Health, remote); Jared Pierce (Grail)

MINUTES

Welcome and Introductions: Amy Williams called the meeting to order.

Approval of the March 20, 2024, minutes: No discussion. Minutes approved.

BPS Financial Updates: (Joe Strohfus, Debbie Poole)

- Joe presented BPS Financials. As anticipated, there was a big swing in plan expenses from January to February resulting in a +\$1.5 mil balance. CYTD’s for both FY 2023 and 2024 ended with a +\$1.6 mil balance.
- March’s financials closed with a +\$1.9 mil balance largely due to the quarterly pharmacy plan rebate of \$1.5 mil. CYTD for March 2024 ended with a +\$3.6 mil balance. \$1.8 mil of the CYTD can be attributed to the district’s increased contributions (\$600K /month for Jan, Feb, Mar).
- Clinics are running consistently at approximately \$270K /month with a \$540K CYTD through February.
- Debbie presented the claims review through February 2024. Enrollment = -0.5%, membership = -2.0%, current loss ratio is running at 92.8% with a +\$1 mil surplus compared to budget. RX claims = 22.1% of total cost. There are no claimants above the \$500K threshold but one claimant is approaching ½ the ISL (\$250K) = 4.1% of total gross claims.
- As projected, total budget is +8.0%, stop loss reimbursements are trickling in from last year = -8.7%, no RX rebates, net claims up 4.1%. Total fixed costs are up 22.3% in 2024 resulting from a 2023 premium holiday. Total plan costs are down 6.0%, loss ratio is running at 92.8% = \$1 mil surplus (\$87 PEPM) through February.
- Debbie will bring back information for SIAC regarding a \$600K disparity in numbers between Joe’s & Lockton’s financial presentations (probably due to a timing difference in receiving financial information). In May, she will also provide financial information through March 2024 and review the required 112.08 fund balance based on actuarial calculations from Jan-Mar.
- Debbie and SIAC members discussed the Jan/Feb plan trend, concerns over the projected 16.7% preliminary projected premium rate increase and the lack of a live plan design tool for SIAC to use. She cited the presence of Contribution Modeling workbook (slides/handouts). In May, Lockton will be able to provide actual financial numbers through the first quarter of 2024. She explained that manipulating projected numbers now would produce numerous, undeterminable solutions whereas she was hoping to only dialogue (today) about what SIAC wants before bringing back the updated projection in May. Mr. Susin indicated his position is that the Board will not increase its revenue contribution until we start to control some of the plan costs. Let’s look at how we can control diabetes and unhealthy behaviors. And per our data, for the last three years, cancer care has been our highest cost but there’s nothing in our program to control those costs. So, the conversation should not just be about raising deductibles and copays, but it should be about the out-of-control costs and how we can try to control them. He then suggested a multi-pronged approach: plan design changes that are significant (combining/adding plan components, e.g, HMO); increases to deductibles copays/coinsurance; and point-based solutions. He acknowledged we have a short time frame in which to do this. Anthony asked how he can make educated decisions about increasing rates when he doesn’t know the impact of plan design changes. Lisa asked Debbie about industry-standard numbers related to plan changes and what the resulting cost decrement would be. *For example*, if a deductible is increased by \$1,000, then the cost decrement would be X%. Debbie said there was such information, but we needed to get back to following the agenda for the sake of the guests.
- Debbie concluded by suggesting SIAC could read through the rest of the financial presentation slides. Mr. Susin asked for 15 months of data instead of just 12 months. Debbie suggested bringing 24 months of data; Mr. Susin agreed.

Surgery Plus: (John Zutter, Ryan Burke)

- Surgery Plus presented program impact data for 2023. 9.8/10 users recommend Surgery Plus. Last year, BPS had 248 good outcomes and 50 individuals avoided surgeries. Members were directed to local access physicians and did not have to travel for care. The program produced a \$47.01 PEPM savings = \$13K per procedure reduction in cost. There was a 6.6% reduction in total spend and 50.5% of all surgical spend was impacted.
- John and Ryan discussed Surgery Plus's existing bariatric treatment program and the increasing usage of GLP-1 pharmaceuticals for obesity.
- The Surgery Plus team presented an overview of Surgery Plus's Cancer Care Direct service. It includes clinical and psychosocial guidance with a focus on screening and early detection, access to top specialists, expert advisory support, and affordable in-home infusions. Each member is provided with a personal nurse advocate who spends significant quality time with the patient. The program is about a year old, is part of Surgery Plus and therefore does not require an entirely new contract to implement the program; can be done with an amendment to the existing contract. The program fully guarantees a 1.15: 1 ROI and will provide data for audits as requested.

Carrum Health and Grail: (Drew Danieleley, Jared Pierce)

- Drew opened the Carrum Health presentation noting their partnership with Grail. The companies address cancer, the top medical condition today driving employer focus. Their perspective is to "get out in front of a cancer diagnosis." The companies are synced up in account set-up, billing, integrative data and committed to creating a seamless member experience.
- Jared stated that Grail reviewed BPS cancer claim data from 2021-2023 to find out what is impacting spend.
- He then presented information about "Galleri," a Multi-Cancer Early Detection Program (MCED), how it catches cancers at stages 1 and 2, contains costs and saves lives. Phlebotomists provide white-glove, concierge service to administer a single blood test. A patient will receive an email for a negative result and a phone call from a physician for a positive result. The test detects where cancer is coming from and is 90% accurate.
- Most employer cancer costs come from employees in the over-50 age group (#3800 active BPS members) and the 40-49-year-old age group (#1512 active BPS members) as cancer is a function of age and genetic breakdown. Sixty-eight percent (68%) of BPS employee cancers have no recommended screening, costing BPS \$9.2M over 3 years.
- Grail can provide the test at an initial cost-neutral price of \$799 per member. The test is recommended annually for patient health and as a long-term cost containment strategy. Employers can cap the number of tests given in the first few years of the program until they have financial proof of program effectiveness. Stop loss carriers work with Grail to reduce their premiums.
- Drew summarized Carrum's position in the marketplace noting they provide top quality care, aligned incentives, bundled payments and warranties. Besides the oncology program, Carrum offers MSK, cardiovascular, bariatric and women's health care. Cancer care bundles are bundled in 2-year packages and include all cancer related costs for each patient. Carrum charges a platform fee, \$1/month PEPM and a one-time, pre-negotiated, bundled rate for cancer care members.

Continued Financial Discussion: (Debbie)

- At Kyle's request, Debbie confirmed that Lockton did provide some of the BPS cancer data to Grail just as they'd done for People One for their ROI, (3-year annual spend and population over 50 years old). Surgery Plus did not ask for any information.
- Mr. Susin thanked Debbie for inviting the carriers. He discussed "4 buckets:" plan design (structure of each plan), co-pays, point based solutions for certain conditions and communicating/educating members. He cited the time sensitivity of the process, how work intensive it is and that he'd like to move forward with more of the point-based solutions (e.g., BEXA) to reduce employee costs. He doesn't understand what the delay is. He made a recommendation to look at point-based solutions for cancer care, circulatory care, MSK and pregnancy. He requested a review of the communications platform and stated there are others that are non-word based we can look at to better educate members. He requested a calculation tool. Debbie offered to bring back specific plan designs to address his requests as the calculation tool is not an effective option. Mr. Susin also stated that hospitals have indicated an interest in looking at a BPS high and low plan, including an HMO, plus a more-expensive plan, i.e., a dual-based system.
- Anthony thanked Mr. Susin for his enthusiasm but stated that it's too late to address any of his recommended ideas this year. He also does not expect any impact on the 112.08 funding requirement from preventive programs, so the 16% increase is still a key factor to the bottom line.
- Kyle moved to proceed with recommending Surgery Plus cancer product to the superintendent. Anthony seconded; motion carried. Kyle also requested that we look further into Grail and BEXA, including cost.
- Kyle requested more information from Lisa about CIGNA's billing error and the reprocessing of claims. Lisa apologized it was not formally discussed in SIAC as it was more of an administrative issue.
- Mr. Susin stated that proposed SIAC agenda items must be presented to the SIAC Chair for review/changes before the agenda is finalized and published.
- Mr. Susin and Kyle expressed concern that Lockton is underpaid for the services they provide BPS. Mr. Susin suggested offering employees whole life/term life options to create more revenue via commission, for Lockton. Anthony said that an RFP is necessary if we're considering paying Lockton more. Kyle recommended simply paying Lockton more.
- Amy stated that plan design will be pushed to the next meeting.
- Due to date conflicts with school graduations, the next SIAC meeting, scheduled for late May, required an earlier date.
- **Next SIAC Meeting: Wednesday, May 15, 2024, 1:00 p.m. - 4:00 p.m. in the Facilities Conference Room.**
- Meeting adjourned.