

**MONTANA MUNICIPAL INTERLOCAL AUTHORITY  
EMPLOYEE BENEFITS COMMITTEE MEETING  
Thursday, March 24, 2011  
MMIA Offices, Helena, MT**

**Minutes**

**1. Call to Order** **Chair**

The MMIA Employee Benefits Committee met on Thursday, March 24, 2011 at the MMIA office in Helena. The meeting was called to order by Acting Chair Marlene Mahlum at 1:03 pm.

Committee members present were acting Chair Mahlum, Cal Oraw, Doris Pinkerton, Necile Lorang, Duane Larson, Kevin Dorwart, Karla Stanton, Rae Lynn Nielsen, Marilyn Foltz, Kelly Audet, Chris Kukulski and Ed Meece (on phone).

Absent were Larry Bonderud, Nikki Brummond and Mary Jo Richardson.

Also in attendance were MMIA staff Amanda Clark, Alan Hulse, Vicki Wilham, Prudence Wigen, Janet Mackin, Amber Ireland; consultants Charlynn Harless and Dave Turner (on phone), Debbie Jones from MLCT, Katherine Swindle and Tim Magee from the City of Helena, Sally Covington and Tom Moore of CCQC (PAC), Marty York, Kim Browne and Aaron Bay from Allegiance, Eric Schindler from MUST, and Russ Hill from State of Montana Health plan.

**2. Minutes** **Chair**

**Duane Larson made a motion to approve the minutes of the November 18, 2010 Committee meeting, second by Kevin Dorwart. Motion passed.**

**3. PAC Analysis Report** **Covington/Moore**

Sally Covington and Tom Moore from CCQC presented their report on the Potentially Avoidable Complications (PAC) analysis that was performed for the program.

They had four recommendations:

1. Focus on improving delivery system performance where MMIA plan members are concentrated – Helena, Bozeman and Kalispell area through convening public and private sector purchasers.
2. Partner with the Montana Diabetes Program who already has a successful diabetes prevention program.
3. Partner with the Montana Asthma Control Program who also is working to establish a successful program.
4. Convene public and private sector purchasers

Staff will review the report and get back to the Board at the next meeting.

**4. StarPoint Report** **Browne**

Kim Browne from Allegiance/StarPoint gave a report on StarPoint, our program performance, and future efforts to control costs. StarPoint does integrated care management, utilization management, case management, network administration, wellness/disease management, pre-treatment review, independent medical reviews and peer-to-peer reviews.

## 5. Membership Update

Staff

Staff reported that as of the March 1 deadline, no members have indicated they are withdrawing from our program. Amanda indicated that Columbus is considering petitioning the Board to allow them to rejoin prior to the policy requirement that they stay out for three years once they leave the program.

Staff has been out around the state meeting with our members, especially through the Wellness Program and now with renewal time. Amanda is hearing that the members are ok with the preliminary rate increase of 12% to 17%. They don't like it but accept it. She has also heard from a couple members who have talked with Columbus, and they don't want to be in the same boat.

The Town of Ennis joined the program as of March 15.

Staff has had meetings with Missoula, but doesn't expect them to come in this year.

The program worked with the Montana Cancer Control Program to create a postcard on colonoscopies. Amanda got about 12 calls in response to that postcard.

## 6. New EB Position Update

Staff

Staff reported on the process of hiring for the newly established EB Position. The position has been posted and we've received 13 applications. Staff will screen next week.

Debbie Jean, Employee Benefits Member Service Representative, has given her notice effective April 1. She has accepted another opportunity.

## 7. Dental Program Recommendation

Staff

Staff presented information from the dental TPA on a different method for handling network dentist options. Currently, the MMIA is on a PPO/PPO method of payment which pays all benefits according to the PPO allowable amount. This method results in the greatest savings to the plan. The alternative is called the PPO/MPA method. This plan allows benefits to be paid according to an allowable amount set for each network option. This method results in the greatest savings to the participant. If the MMIA changes to this alternative method, it is estimated that there would be a 7.2% cost impact on claims.

Staff is recommending that MMIA change to the PPO/MPA method because it would improve the perception of benefit payments for our participants because of lower out of pocket expenses and it would increase the reimbursement allowance for dentists. Staff feels the dental plans are adequately funded and could absorb the estimated increased claim costs.

**Cal Oraw made a motion to recommend to the Board that they approve staff's recommendation to change to the PPO/MPA method for handling network dentist reimbursements, second by Chris Kukulski. Motion passed.**

Ed Meece asked the group if there would be the possibility for multiple year contract renewal, and that maybe there could be a discount for that. Amanda will explore this. Dave Turner indicated that a couple year renewal would help the program, but a discount is a different issue.

Such programs usually work against the member because of trying to account for variability in rates, but there are options.

## **8. Operational Cost Review**

**Staff**

Staff reviewed operational cost information for the program for FY 2011-2012. Staff is estimating operational costs to come in at \$27.73 per employee per month with total operating expenses being \$680,567. That includes total general administrative expenses estimated at \$516,409.

There are a few items that are not considered in operational costs for rate setting. Rather, the costs are allocated from reserves to fund for the upcoming year. For FY2011-2012, the wellness program, cost impact from health reform, and the new Program Development position will be allocated from surplus reserves, so that rates are not affected.

## **9. Preliminary Rates**

**Turner**

Actuary Dave Turner presented the analysis for preliminary rate setting. **A recommendation to the Board is requested.**

No member is currently outside their corridor, so there are no modifications for anyone. This means the model is working and no adjustment is needed.

Dave is recommending the MMIA go with a 12 month target and 14% rate increase.

Overall we had a normal year with some high months and some low months. We have \$3.8 million in unrestricted surplus. The program is in good financial position right now. Dave cautions against buying down rates.

The regional trend is 12-13%. BCBS is 12.5%, Allegiance is 18% as an average, the City of Billings is 14%, MACo was 14% in January.

Last year the Board voted to buy down from 6.9% to 5%.

Medical: staff is recommending a rate increase of 13.5% after the previously approved prescription copay change that resulted in a 0.5% savings was taken out.

Dental: staff is recommending rates remain flat.

Vision: staff is recommending rates remain flat.

Life: staff is recommending rates remain flat.

**Ed Meece made a motion to recommend to the Board that they buy down EB rates from the recommended 13.5% to 10%, second by Duane Larson.**

Both Dave and Charlynn are comfortable with the motion.

Cal Oraw called the question.

**Motion passed on a show of hands, seven in favor and four against.**

- Aye: Chris Kukulski, Duane Larson, Karla Stanton, Necile Lorang, Doris Pinkerton, Kelly Audet, and Rae Lynn Nielsen.
- Nay: Cal Oraw, Marilyn Foltz, Kevin Dorwart, Marlene Mahlum.

**Chris Kukulski made a motion to recommend to the Board that they approve the Dental, Vision, and Life at no rate increase as recommended by staff, second by Necile Lorang. Motion passed.**

## **10. Other Topics**

**Staff**

Chris Kukulski asked about the additional incentive for the wellness program, where if the group attains 70% participation in both the screening and assessment, participants get an additional \$50 gift card. He said that some participants were having trouble getting into the assessment website, and asked if the incentive could be given without reaching the 70% mark.

Amanda said that extended deadlines have been set to allow for participants to complete the assessment. Any issues should be reported to Two Medicine so that they can assist participants in completing the assessment. Next year, the system will be much simpler and easier for participants to access, which will address this issue. In the mean time, we must be consistent in the incentive rules that have been applied to the other members of the program, and only give the additional incentive to those that do reach the 70% level.

There being no further business, the meeting adjourned at 5:15 pm.

Submitted by

Marlene Mahlum  
Acting Chair

Vicki Wilham  
Recording Secretary

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