

**DULUTH JOINT POWERS ENTERPRISE TRUST  
BOARD OF TRUSTEES MEETING MINUTES  
Wednesday, April 23, 2014**

**Board Members Present:** Rick Ball, David Montgomery, Tom Werner, Dan Russell

**Others Present:** Keely Downs, Todd Hanson (CBIZ), Tom Maida, Ramona McCree (CBIZ), Wayne Parson, Sonda Strom Larson, Tom Maida, Carla Schneider, Jim Filby Williams, Ben Gasner, Shannon Sweeney, Joelle Bodin, Tim Helwig, Leighann Severance, Don Douglas

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Chair Montgomery called the meeting to order at 9:32 a.m.

**Approval of Minutes:** The February 5, 2014, Minutes were approved. Russell/Ball

**Treasurer's Report**

- Wayne Parson reviewed the audited fund balances. The Health Fund has a net balance of \$5,110,186 and our Dental Fund has a net balance of \$598,973 for a total Trust Fund of \$5,709,159.
- Wayne Parson reviewed the financial statements through March 2014. The Income Statement for Healthcare showed a net increase of \$326,558.07 with a reserve of \$5,699,912.73. Dental showed net loss of \$14,119.48 and the reserve at \$472,176.98.

**Wellness Program Update**

- Shannon Sweeney gave an update from the Wellness Committee. Wellness Day was a great success. We had 4 times the number of attendees. There were waiting lists for booths. It was a great event. The committee will be reviewing the event and the City's participate and the fit for Parks vs. the Wellness Committee as it is more a community event.
- We are in Week 6 of the Loss Weight in 8 Challenge.
- A subcommittee of the Wellness Committee is involved in a strategic planning process.
- The Employee Wellness Survey results are on the Bridge to Wellness website. The Health Fair is being scheduled for October 1, 2014 – planning will start in a few weeks.

**Delta Dental**

- Delta Dental gave an overview of the claim costs. The total amount paid in claims for 2013 was \$640,796 as compared to \$638,721 in 2012. The monthly claims average was \$53,399. For more details please note the attached spreadsheets.
- 73.7% of our membership utilized their dental benefits. Our membership is high is the restorative services and average in the maintenance serves.
- Dental inflation has been holding steady at about 4% for the last 4-5 years.
- The top dental services utilized by our membership were 1) preventative 2) diagnostic and 3) major restorative.

**ClearScript**

- 2013 over all claims were down 2.17% and a decrease of co-pays was 3.61% from 2012. The average cost per prescription was flat. We are right in line with ClearScript's book of business. The generic utilization is very good. We had a significant decrease in specialty medications. This could be due to very few actual claims. Attached is a Year-over-Year Comparison of Plan Performance.
- ClearScript is advising that we prepare for an increase in specialty medications. The suggest creating a separate tier for specialty medications.
- The top drug classes for our membership are 1) analgesics/anti-inflammatory 2) antidiabetics 3) antiasthmatic/bronchial.

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- Russell suggested that we take a close look at our prescription benefits when we set rates for next year.
- Specialties are currently representing 15-20% of spending and are expected to be over 40% within 5 years. Biosimilar specialty drugs are beginning to arrive and should help bring costs down. This may not happen until 2015-2016.

**Medication Therapy Management Program (MTM)**

- Program run by pharmacists on one-on-one patient basis. They assist the patient with medication therapy. They ensure all drug therapy is indicated, effective, safe and convenient. They meet with the patients utilizing the service every three months. Attached is specific information on the service.
- Benefits to the members are: no co-pays for tier 1 or 2 medications and a 50% reduction on tier 3 medications used for the treatment of diabetes, high blood pressure, high cholesterol, smoking cessation, asthma, COPD, depression, heart failure, thyroid or reflux. There are also no co-pays for meeting with pharmacist.
- Because of our 2012 change in benefits for retirees we will see a decrease in participation. In 2013 872 invitations went out, 100 enrolled. A third of our membership is on chronic meds. We have extremely low participation in this program. Best-of-class participation is about 20%. We are still very low. An incentive program of some sort needs to be implemented for continuous participation in the program.

**HealthPartners**

- Overview of 2013 – There was a large decrease in plan participation due to Medicare retirees being moved from the active plan to the Freedom Medicare plan. While the per member costs increased, the total cost of the plan decreased. There is a large opportunity to increase participation in disease management programs. This would save over \$500,000. More members that are pre-disease would be identified if more members participated in the Health Assessment. Poor nutrition and weight control continue to be major issues facing our members. There are savings if more members used convenience care and Virtuwel.com.
- The per member per month cost rose 8.8% due to the loss of Medicare funding. While per member expenses increased, total expenses dropped from \$15,620,520 in 2012 to \$13,511,419 in 2013.
- There were 40 high cost cases over \$50,000. These members cost the plan \$4,444,119. This accounts for 33% of the total expense of the plan. 8 high cost cases due to cancer cost the plan \$692,638 and 7 high cost cases due to osteoarthritis cost the plan \$996,932.
- Of the 400 Health Assessments taken, 277 of them raised some kind of health concern. Increased participation in the Health Assessment would identify more members that are a risk for disease. A missed opportunity is the result of members declining to participate in a disease management program, members being unresponsive to outreach, or inaccurate demographic information. This cost the plan \$508,343.
- There was discussion regarding on-site clinic models as an incentive for members to seek care. St Paul Schools is one example on a very successful model.

The meeting adjourned at 1:39 p.m. Werner/Russell

Next meeting: July 9, 2014, at 10:30 a.m. at City Hall, Room 402.

Minutes respectfully submitted by,  
Sonda Strom Larson, Executive Assistant  
City of Duluth





# Overview of Plan Claim Costs

Plan Costs: Total Group				
	2013	2012	Percentage Change	2013 Normative
Total Paid Claims by Plan	\$640,796	\$638,721	0.3%	
Average cost per claim	\$159.16	\$161.17	-1.2%	\$154.24
Average number of EOBs/EE	3.34	3.35	-0.5%	3.89
Average paid claims/EE	\$530.90	\$540.37	-1.8%	\$600.67
Average monthly enrollment	1,207	1,182	2.1%	
Reached Annual Max @2,000	4	11		
Percentage of High Option Membership	3.40%	9.40%		0.90%
Reached Annual Max @1,000	150	132		
Percentage of total membership	6.90%	6.20%		4.21%

In 2013, September was the lowest claim volume at \$35,112 in claims and November 2013 was the highest at \$63,353. Monthly average is \$53,399





**DELTA DENTAL OF MINNESOTA**  
**ENROLLMENT AND PAID CLAIMS**

**Duluth Joint Powers Enterprise Trust**

MONTHS	CLAIMS	PAID CLAIMS	% OF PAID CLAIMS	ADMIN/ PREMIUM	EMPLOYEE	EMPLOYEE+ SPOUSE	EMPLOYEE+CHILD	FAMILY	TOTAL EMPLOYEES
JAN-2013	357	\$61,642.23	9.62%	\$4,392.28	735	207	37	221	1,200
FEB-2013	327	\$54,834.23	8.56%	\$4,439.08	741	205	37	223	1,206
MAR-2013	325	\$52,843.57	8.25%	\$4,436.68	744	205	37	224	1,210
APR-2013	344	\$59,672.69	9.31%	\$4,443.70	742	206	36	227	1,211
MAY-2013	363	\$51,147.53	7.98%	\$4,466.90	735	207	36	227	1,205
JUN-2013	326	\$49,491.28	7.72%	\$4,396.90	732	207	36	225	1,200
JUL-2013	319	\$49,222.23	7.68%	\$4,401.94	731	209	36	224	1,200
AUG-2013	356	\$51,340.73	8.01%	\$4,441.26	736	211	37	224	1,208
SEP-2013	256	\$35,112.82	5.48%	\$4,434.24	732	214	37	221	1,204
OCT-2013	355	\$54,824.35	8.56%	\$4,441.22	731	216	37	223	1,207
NOV-2013	369	\$63,353.29	9.89%	\$4,473.86	733	216	38	224	1,211
DEC-2013	329	\$57,311.05	8.94%	\$4,485.56	738	218	38	223	1,217
TOTAL	4,026	\$640,796.00		\$53,253.62					
AVG	336	\$53,399.67		\$4,437.80	736	210	37	224	1,207





**DELTA DENTAL OF MINNESOTA**

**CLAIM DISTRIBUTION REPORT**

**Duluth Joint Powers Enterprise Trust**

<b>PAID CLAIM RANGES</b>	<b>PAID CLAIMS</b>	<b>UNIQUE MEMBERS WITH PAID CLAIMS</b>	<b>PAID CLAIM AMOUNT</b>
\$0-\$49	601	394	-\$35.84
\$50-\$99	739	565	\$59,017.00
\$100-\$249	2,213	1,383	\$310,390.86
\$250-\$499	201	166	\$68,527.97
\$500-\$999	251	239	\$176,109.16
\$1,000-\$1,499	16	16	\$17,947.43
\$1,500-\$1,999	5	4	\$8,839.42
<b>TOTAL</b>	<b>4,026</b>	<b>2,767</b>	<b>\$640,796.00</b>

Customer # 0000000487

Group # 000405

January 2013-December 2013

Plan Performance Comparison  
Duluth JPE Trust Actives 2013

Year	2011	2012	2013	% change 12-13
Claims Funded	26,318	28,019	27,412	-2.17%
Total RX	\$2,358,420.50	\$2,647,401.90	\$2,587,441.01	-2.26%
Plan Paid	\$2,239,166.40	\$2,530,139.05	\$2,474,416.54	-2.20%
Copay	\$119,254.08	\$117,261.88	\$113,024.47	-3.61%
Ave Copay	\$4.53	\$4.18	\$4.12	-1.44%
Member Contribution	5.00%	4.40%	4.00%	-9.09%
Ave Day Supply	42	44	43	-2.27%
Ave Rx	\$89.61	\$94.48	\$94.39	-0.10%
Ave Rx Cost/Day	\$2.13	\$2.15	\$2.20	2.23%
Census (members)	2619	2774	2898	4.47%
% using benefit	70.00%	68.85%	70.02%	1.70%
Plan PMPM	\$71.28	\$75.89	\$71.22	-6.15%
Rx PMPM	0.83	0.84	0.79	-5.95%
<b>Rx Trends</b>				
Generic Utilization	78.75%	80.40%	82.60%	2.74%
Generic Discount	79.00%	80.00%	79.02%	-1.23%
<b>Top Drug Classes</b>				
#1	Antihyperlipidemics	Analgesics/Anti-inflam.	Analgesics/Anti-inflam.	
#2	Analgesics/Anti-inflam.	Antiasthmatic/Bronch.	Antidiabetics	
#3	Antiasthmatic/Bronch.	Antidiabetics	Antiasthmatic/Bronch.	
PMPM Alignment	\$7.68/\$7.12/\$6.83	\$7.77/\$7.32/\$6.19	\$9.38/\$7.03/\$6.67	
Specialty Drug Cost	\$434,927.69	\$635,817.15	\$483,597.50	-23.94%
Specialty Drug % of total	18.44%	24.02%	18.69%	-22.18%
Specialty Drug PMPM	\$13.84	\$19.10	\$13.91	-27.20%



# Duluth JPE Trust Annual Dashboard

Service dates 1-1-2013 through 12-31-2013 paid through 2-28-2014



## Population Summary

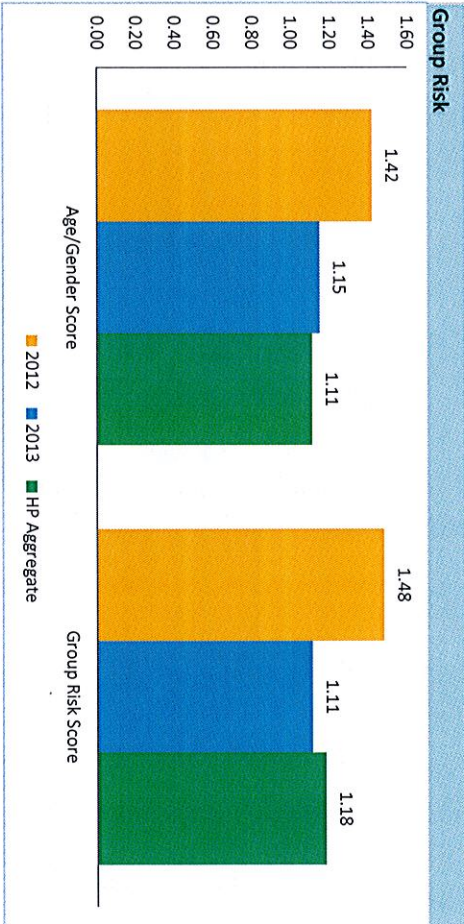
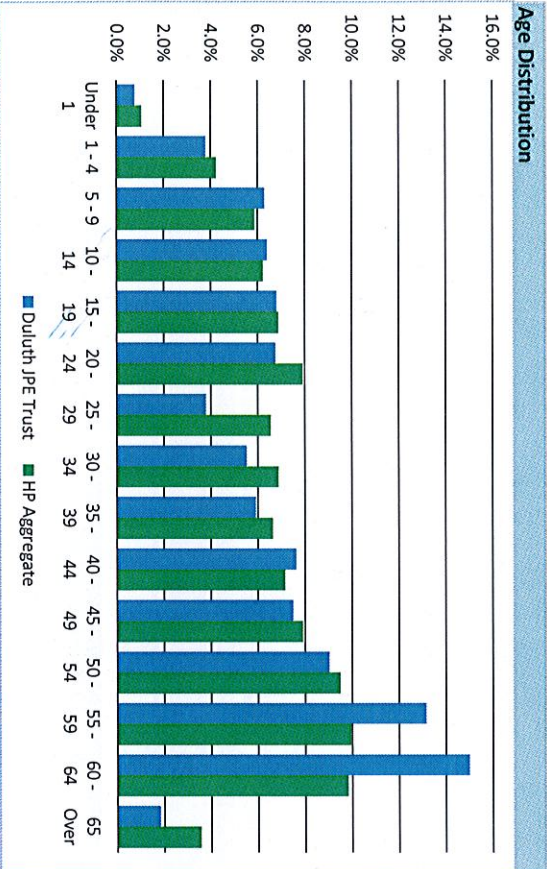
## Trends

## Population Health

## Employee Services

Population Summary			
Plan Enrollment	2012	2013	% change
Average Number of Contracts	1,898	1,390	-26.77%
Average Number of Members	3,702	2,866	-22.58%
NA * = Not available or proprietary			

Stayer/Leaver/Joiner			
Member Category	Person Count	Risk Level 2012	Risk Level 2013
Joiner	268	0.00	1.05
Leaver	1,098	2.56	0.00
Stayer	2,536	1.01	1.12
Total	3,902	1.48	1.11
Change in Overall Risk			
			-25.0%



Disease Prevalence					
	2011	2012	2013	2013/2012	HP Aggregate
Diabetes	8.09%	8.06%	4.55%	-43.55%	4.37%
Depression	7.08%	7.64%	7.58%	-0.79%	11.85%
Rare and Chronic	1.97%	1.72%	1.05%	-38.95%	0.89%
Asthma	4.29%	4.56%	4.05%	-11.18%	5.02%
COPD	2.13%	2.21%	0.76%	-65.61%	0.58%
Heart Disease	6.66%	7.54%	3.10%	-58.89%	2.40%

**Comments**

- > There was a large drop in membership between 2012 and 2013 due to the Medicare Retirees being moved off of the active plan and onto the Freedom retiree plan.
- > With the Medicare retirees leaving the active plan the Age/Gender and Group Risk Scores are now near normal levels.
- > Large improvements in COPD, Heart Disease, Diabetes and Rare and Chronic diseases.