

# Northern Plains Insurance Pool

## Minutes

March 9, 2016

Chairman Dean Christensen called the meeting to order at 10:10 a.m. on Wednesday, March 9, 2016 at the Cherapa Place in Sioux Falls, SD.

Board Members Present: Wanda Kost, Sheila Beermann, Kristi Lewis, Dean Christensen, David Hutchison, Joel Jorgenson, Susan Kurtz, Angela Arlt, and Gary Leighton.

Others Present: Merle Krull, Catrina Brown, Dan Guericke, Jason Hubers, Lisa Carlson, Adam Craghead, Jim Wynstra, and Jimmy Schneider.

Motion was made by Joel Jorgenson and seconded by Kristi Lewis to approve the agenda.

Financial report was given by Catrina Brown of Mid-Central Educational Cooperative. Chairman Christensen asked the finance committee if anything needed be discussed and no discussion was held. A bill for the insurance that the board currently has was presented to the board for approval. The bill was in the amount of \$2699.33 and to be paid to BW Insurance Agency. Motion was made by Sheila Beermann and seconded by Gary Leighton to approve the treasurer's report with the addition of the bill for BW Insurance Agency. All aye. Motion carried.

Motion was made by Kristi Lewis and seconded by David Hutchison to approve the February 2, 2016 minutes. All aye. Motion carried.

Discussion was held on the webpage that will be set up for the insurance pool. Kristi Lewis has been working with Mass Media on getting some of the webpage set up before the annual meeting.

Discussion was held on the three board terms that are up this year. The three positions that are open are Gary Leighton, Joel Jorgenson, and Angela Arlt. Angela and Gary will be running for their spots again but Joel has chosen to step down because of a new position in Madison.

Discussion was held on the fiscal agent, Mid Central Educational Cooperative. Chairman Christensen received a letter for the SD Department of Education stating that all contracts that are held with Mid Central Educational Cooperative will not be renewed. The board expressed concerns about what would ever happen if Mid Central's assets would ever happen to be frozen. The board feels that Mid Central Educational Cooperative has done a great job in handling their funds but with all the concerns they feel it is a good idea to look for a new fiscal agent. Gary Leighton made a motion to search for some possibilities in moving the fiscal agent to somewhere else. Wanda Kost seconded that motion and all members aye besides one member (David Hutchison). Chairmen Christensen will begin the search to see who or where the fiscal agent position can move to.

Jim with the Sanford Health Plan provided the board with the rates for the 2016-2017 year. Last year the rates increased 9.15%. This year the pool is looking at an increase of 14.9%. The pool has seen higher PMPM for two years in a row. All board members expressed concerns that this high increase is going to be a hard increase to sell to the member schools at the annual meeting. The board requested that they have time to talk this over with Great Plains Brokerage

and Sanford Health Plan leave the meeting for a short time. Jason Hubers stated that the pool needs to have a good rate to set us up for going self-funded otherwise that will be a shock. The board requested some further documentation from Sanford Health Plan on some different scenarios and those were not brought before the board. Discussion was held on going into the annual meeting with a couple different formulas but need to make sure that the member schools have full understanding of the higher premiums that may come with going self-funded. Jason Hubers reported that the board has to also take into consideration that they have had two bad years of loss ratio so that effects the premium increase. Jimmy Schneider also reported that the pool has definitely seen a lack of growth and that effects the premium also. There were 4 different formulas given to the board to discuss. Angela Arlt made a motion to accept Formula C with Sheila Beermann seconding that motion. Discussion was held on Formula C. The board feels like this formula forces schools with higher deductibles to make some changes. Some board members expressed that they did not support the range of formula increases. Roll call vote was held on this motion. Four board members voted in favor of Formula C and five members voted against Formula C. Motion denied. The board would like to schedule another meeting which would include all the documents that they requested at the initial meeting. A couple reports the board asked for was to have a listing of what schools have what deductibles and a formula that has the richest deductible being \$1500. A board member expressed concerns that with premium rates increasing that the pool may no longer be able to stay together. The board will meet with Sanford Health Plan again on March 15, 2016 at 10:00 a.m. to discuss different possibilities on changing the rate increase.

Lisa Carlson shared with the pool that the date the pool needed to have in place what they were going to do for 2017-2018 has been changed from July 1, 2017 to December 31, 2017. The board still feels like they should be ready to make the changes by July 1, 2017.

Discussion was held on preparation for the annual meeting which will be held on March 23, 2016 at the Huron Event Center in Huron, SD. The board will meet the night before like past years and then the annual meeting will be held the next day. There will be three things that the member schools will be voting for: self-funding, renewal vote, and the 3 board positions that are up.

Discussion was held on the bank account that is currently at the Bank of the West in Platte, SD. Motion was made by Sheila Beermann and seconded by Gary Leighton to remove Stephanie Hubers from that account and add Catrina Brown to the pool's account. All aye. Motion carried.

Next board meeting will be held March 22, 2016 in Huron, SD at 6:00 p.m. at the Huron Event Center.

Motion was made by Gary Leighton and seconded by David Hutchison to adjourn at 1:29 p.m. All aye. Motion carried.