

**DULUTH JOINT POWERS ENTERPRISE TRUST
BOARD OF TRUSTEES MEETING MINUTES
Wednesday, May 23, 2012**

Board Members Present: Rick Ball, David Montgomery, Brian Ryks, Dan Russell

Others Present: Barb Akervik, Jodi Amundson, Amy Diedrich, Don Douglas, Keely Downs, Terri Fitzgibbons, Cookie Gilmore, Kim Hall, Adele Hartwick, Terry Johnson, Tom Maida, Randy Overby, Wayne Parson, Erik Roadfeldt, Peg Spehar, John Strongitharm, Marlene VanPuymbrouck

Chair Montgomery called the meeting to order at 10:35 a.m.

Approval of Minutes: The April 11, 2012, Minutes were approved (4-0).

Financial Report

- Parson stated a \$1.2 million loss is predicted for the year.
- April claims were the largest they've ever been.
- There is an aggregate 22% increase in medical claims factoring in 2011.

New Business

- CBIZ Claims Analysis
 - The goal is to be prepared for 2013 claims.
 - Pharmacy claims are up 3.5%
 - Medical claims are up 7.9%, which is 8.3% higher for 2012.
 - Covered members increased by 60 from last year.
 - Montgomery questioned the discrepancy in increased percentages. Diedrich explained she does not believe the increase will be 22% for 2012, though it is increasing. If the pattern continues it will be 10% or more.
 - Montgomery would like to see the PMPM (per member per month) figures for 2011 January through April only.
 - Diedrich suggested the Health Partners Medical Director attend the next Trust meeting.
 - Outpatient care compared to private sector is enormously larger.
 - The loss ratio for 2011 was 119%; it is 106% for 2011 through April 30.
 - Specialty drugs are at a large increase from last year and will continue to increase rapidly.
 - Prescription drugs need to be evaluated; in other plans specialty drugs are often carved out separately.

- Montgomery would like more details on what the drivers are in these increases, and it was agreed the sooner options for 2013 are considered the better.

Other Business

- Brian Ryks will be leaving the Duluth Airport. Randy Overby, Director of Finance & Administration, will be serving in the interim on the Trust Board.

Next meeting: The next meeting is scheduled for July 11, 2012, at 10:30 at City Hall 402 Conference Room.

The meeting adjourned at 11:50 a.m.

Minutes respectfully submitted by,
Terri Fitzgibbons
Executive Assistant
City of Duluth