



May 25, 2018

**RE: SAM Board of Directors Update – Montana Unified School Trust (MUST) 4<sup>th</sup> Quarter 2018**

MUST is a multi-employer, self-funded, non-federal government plan, federally regulated by the Public Health Service Act, providing health benefits to public school employees. MUST is sponsored by MEA-MFT, School Administrators of Montana (SAM) and MTSBA. MUST is administered by Montana School Services Foundation (MSSF). MSSF, on behalf of MUST, has been working on a number of initiatives. The following is a short update of recent activities:

- **Milliman 2018-19 Planning:** With the transition to Milliman as our actuary, MUST has access to quoting software allowing us to process quotes internally with quicker turnaround and the ability to make real-time adjustments as needed. Milliman has proven themselves to be a good partner through the open enrollment process. Retrospectively, the rates Milliman assisted in developing for 2017-18 renewing groups proved to be accurately calculated, with the Trust having made good financial decisions toward supporting long-term stability.
- **Prime Pharmacy Update:** MUST has been utilizing Prime Therapeutics as its pharmacy benefit manager (PBM) for almost one year. This transition equates to significant savings to our members. MUST is pleased to share its admin costs to date are over \$300K less than the prior fiscal year. This also exhibits the commitment to provide the highest level of benefit to the member at the greatest value. The service MSSF staff provides is well received and is appreciated by our membership.
- **MUST Board of Trustees Meeting (March 4-5, 2018):** The Trustees met in Helena and received detailed reports concerning: (a) operations, marketing, financials and actuarial; (b) 2018-19 benefit plan changes; (c) upcoming plan year preparations; and (d) Re-Solution's 2018-19 reinsurance proposal through Hannover Re. The Board addressed by action: (a) approval of MUST's continued relationship with its reinsurer, Hannover Re, for the 2018-19 benefit year; (b) approval of 2018-19 rates and rating methodology; and (c) approval of Milliman's actuarial report.
- **2018-19 Marketing Update:** To date, 96% of MUST districts have renewed for the 2018-19 benefit year; signed paperwork is coming in daily. MUST has quoted 30 new schools this year, with a high marketing success rate of 23%. New business quotes have continued to trickle in. While districts may have often elected to go with their existing carrier, MUST has received favorable feedback on the quality of the information supplied. Offering quotes to all districts who request them has created savings for districts, as our quotes are holding the competition accountable to our public schools.