

Meeting Minutes  
Central Washington Public Utilities  
UIP (Unified Insurance Program) Quarterly Trustee Meeting  
Wednesday, January 23, 2013, at 10:00 a.m.  
Grant County PUD (Commission Room)

**Roll call / introductions / additional agenda items:**

The meeting was called to order at 10:05 a.m. by Chair Wyatt Scheibner. Those present were:

<b><u>PUD</u></b>	<b><u>Trustees</u></b>	<b><u>Alternate Trustees</u></b>	<b><u>Administrators</u></b>
Benton	Allison Jubb	Jody George*	
Douglas	Wyatt Scheibner	Barbara Davis	
Ferry	Andrea Olson*		
Franklin	Susan Paysse*	Sylvia Hubbard	
Grant	Darla Shannon	Annette Hernandez	Mary Heston
Okanogan	Don Coppock	Laura Richards	
Pend Oreille	Paul Boxleitner*		

Mercer: Suzanne O'Neil, Jeff Scalph, Traci Young  
UIP Treasurer: Phillip Law (Grant County PUD)

\* participated via conference call

The topics of biometric screening and health advocacy were requested as additional agenda items.

**Approval of Minutes:**

Motion was made by Trustee Shannon and seconded by Trustee Coppock to approve the regular meeting minutes of October 25, 2012 and special meeting minutes of December 12, 2012 and January 9, 2013 as written. Motion passed by unanimous vote.

**Treasurer's Report:**

Treasurer Phil Law discussed the Trust Income and Disbursement Report for October 1, 2012 through December 31, 2012 and reviewed it briefly with the group. Treasurer Law also reported that the State Auditors are currently conducting a compliance audit and financial statements audit of the Trust and indicated that everything seems to be in good order.

Motion was made by Trustee Jubb and seconded by Trustee Coppock to approve the Report of Trust Income and Disbursement Transactions for October 1, 2012 thru December 31, 2012. The motion passed by unanimous vote.

**Report from the Broker:**

➤ Experience Reports – Medical and Dental. Broker Scalph reported on the experience reports for August 1, 2012 through December 31, 2012 and August 1, 2011 through July 31, 2012.

➤ Pre-renewal Projections – Preliminary. Broker Scalph reviewed the most recent projection of costs for the medical plans. Based on the information provided, an overall increase of 8.4% would be needed for next plan year for active and retiree plans combined. This early projection added a margin of 1% for claims fluctuation and did not add cost for the Affordable Care Act (ACA) temporary reinsurance fee. The reinsurance fee applies only to group medical plans and is expected to be \$63 per member for

the first year of the three year program. The fee could be paid out of reserves but most employers are planning to incorporate it into the contribution strategy. At approximately 4500 members the first year's total UIP fee will be about \$285,000 and will be due by January 15, 2015.

It was mentioned that the Patient-Centered Outcomes Research Institute (PCORI) fee (\$1 per participant for the 2012-2013 plan year) is being deducted from HRA VEBA plan accounts. A discussion ensued as to whether the ACA reinsurance fee would also apply to the HRA VEBA accounts. At this point the HRA VEBA Trust believes that the reinsurance fee will apply to its accounts. The HRA VEBA Trust and its consultants are exploring and pursuing options to avoid the fee if possible.

The dental plan projection showed a 6.4% reduction in cost.

The benchmark report was not available for this meeting.

**Action:** Broker O'Neil will send out the benchmark report and executive summary before the next meeting in April so it can be discussed at that time.

➤ Market Plan Analysis – Life/LTD (2013 renewal). Broker O'Neil asked for input on the renewal regarding the current plan year versus calendar year and whether the life/LTD plans should be marketed. Trustees informed her that any change in the plan year will likely not be determined until upcoming negotiations with the union. Broker O'Neil explained that because our current rates are very competitive, she cannot promise no rate increase if the plans were marketed. Trustees agreed that marketing the life and LTD plans this year would likely not be beneficial to the Trust and were satisfied to keep the current plan for the 2013 renewal.

➤ Amendment to Summary of Benefits – Basic Life. In an effort to eliminate confusion regarding coverage for seasonal and part-time workers, Grant PUD worked with Unum to draft language to be added to the definition of Annual Earnings. The draft language was discussed. Trustee Jubb expressed concern that the draft language may not be sufficient to address certain employment situations and would like time to study the language and possibly suggest changes to it.

**Action:** The group agreed to allow Benton and Grant, with help from the Broker, to coordinate further with Unum on the language in question and to revise the corresponding amendment to the basic group life insurance plan. The group authorized Chair Scheibner to sign the revised amendment when it is ready.

➤ Legislative update – Healthcare Reform. Broker O'Neil led a discussion on the excise tax to be implemented in 2018 on "Cadillac" health plans. Possible scenarios were presented for both the PPO and CDHP, using various trend/inflation assumptions. Further migration from the PPO to the CDHP would reduce the tax liability, as would disengaging the dental plan from the medical plan (because the excise tax doesn't apply to stand alone dental plans).

➤ GRIST Report: Broker O'Neil discussed the GRIST Report: Health and welfare benefit plan developments, fourth quarter 2012.

**Action:** Broker O'Neil will send this report electronically so members can click on each link for details. Mercer is monitoring these developments on the Trust's behalf.

Trustee Paysse notified the group that she was dropping off the call.

**12:05 to 12:30 Lunch Break**

➤ **Biometric Screenings.** Broker O'Neil led a discussion on biometric screening services and reviewed the comparison of the market analysis results of three vendors (Health Advocate, BioIQ, and Quest Diagnostics) who responded to the RFP. She will send out the RFP result from INHS (Inland Northwest Health Services) as it was not included in the handout. (Note: Subsequent to this meeting Broker O'Neil emailed to Trustees that INHS doesn't offer a blood draw service for biometric screenings. They only do finger sticks. Because the group desires the blood draw capability, there was no need to send out the INHS RFP results.) Biometric screenings are for the employee and do not include spouse. Chair Scheibner requested that the Administrators review in more detail the RFP results and make a recommendation to the Trustees regarding details such as vendor, timeline, spousal inclusion in screenings, etc.

**Recap of discussions with IBEW regarding EIAC:**

Trustee Jubb briefed the group on the meeting of January 4, 2013, held at Grant County PUD, which she attended with John Jordan, Chad Bartram, Paul Boxleitner, Bob Sebris, Steve Hendrickson and Ed Manis, with Wyatt Scheibner attending a portion of the meeting by phone. The purpose of the meeting was to discuss the viability of continuing the EIAC. This topic will be discussed further at an upcoming CWPU call.

**BPM position vacancy:**

Alternate Trustee Hubbard reported that she had talked with a local employment firm in the Tri-Cities about the possibility of the firm providing part-time administrative support to the Trust on a contractual basis. The employment firm indicated that it is quite likely they could provide such a person, especially if the Trust would be willing to guarantee a minimum number of hours. Trustee Boxleitner reported that he had contacted an employment firm in Spokane and received feedback similar to what Trustee Hubbard reported.

Alternate Trustee Richards and Trustee Coppock indicated that Okanogan has a full time employee who might be looking for part time work and who could possibly provide the administrative support.

Trustee Shannon handed out Grant County PUD's proposal to provide part-time administrative support. Discussion followed. The proposal is for Administrator Mary Heston to fill the administrative support role, with all PUDs in CWPU reimbursing Grant PUD for 50% of Administrator Heston's salary and benefits costs. The reimbursement payments would be made through the established allocation and billing process for CWPU costs. Grant PUD would regularly review the position to determine whether the 50% target should be adjusted to more accurately reflect actual time needed.

Trustee Jubb made a motion to recommend to CWPU that Grant's proposal be accepted. Trustee Coppock seconded the motion. Motion passed unanimously. (It was felt necessary to obtain approval from the CWPU managers because the cost would be paid directly by CWPU, not through the Trust.)

**Action:** Chair Scheibner will inform John Jordan, CWPU Chair, of the Trustees' recommendation and will send Grant's proposal to Mr. Jordan for inclusion on the agenda for the February 1, 2013 CWPU conference call.

**UIP Officer positions:**

Chair Scheibner led a discussion relative to the officer positions of the UIP Trust. The Chair and Vice Chair are two-year positions with the potential to be re-elected. Chair Scheibner reminded the group that his two year term will expire July 31 of this year and indicated that he will not seek re-election. Typically the Vice Chair would move into the Chair position. Rather than waiting until the July meeting to consider candidates for the officer positions, it would help the transition to the new officers if the group would make its determination earlier.

**Action:** Trustees should be prepared at April's meeting to discuss who the new officers will be for the next two-year term.

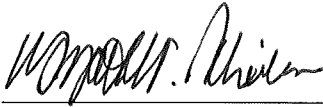
**Health Advocacy:**

There was further discussion of the idea of hiring a health advocacy service, such as Health Advocate, for the Trust. This topic was discussed briefly at the October 24, 2012 quarterly meeting and has been a topic at previous ELAC meetings. A service such as Health Advocate would be considered an enhancement to customer service by Premera. No decision was reached.

The next quarterly meeting is scheduled for April 24, 2013, 10:00 a.m. at Benton County PUD Auditorium, Kennewick, WA.

The meeting was adjourned at 2:36 p.m.

Approved by Trustees on April 24, 2013



Wyatt Scheibner, Chair

Action Items:

Item	By Whom	Due Date
Benchmark Report	Suzanne O'Neil	Prior to April's meeting
Candidates for UIP Officer Position: be prepared to discuss who the new officers will be for the next 2-year term.	Trustees	April 24th meeting

Agenda/Minutes Distribution:

Trustees

Allison Jubb  
Wyatt Scheibner  
Andrea Olson  
Susan Paysse  
Darla Shannon  
Don Coppock  
Paul Boxleitner

Alternate Trustees

Jody George  
Barbara Davis  
Sue Nush  
Sylvia Hubbard  
Annette Hernandez  
Laura Richards  
John Jordan

Public Utility District of:

Benton County  
Douglas County  
Ferry County  
Franklin County  
Grant County  
Okanogan County  
Pend Oreille County

Administrators/Others:

Mary Heston	Grant PUD
Suzanne O'Neil	Mercer H&B
Jeff Scalph	Mercer H&B
Traci Young	Mercer H&B
Connie Olson	Larson Allen
Lee Colclasure	Larson Allen
Tim Nies	UIP Auditor-Franklin PUD
Phillip Law	UIP Treasurer - Grant PUD
Cary West	UIP Assistant Treasurer - Grant PUD
Bob Sebris	CWPU Labor Counsel

CWPU Managers:

Chad Bartram	Benton PUD
William Dobbins	Douglas PUD
John Friederichs	Ferry PUD
Ed Brost	Franklin PUD
Tony Webb	Grant PUD
John Grubich	Okanogan PUD
John Jordan	Pend Oreille PUD

Meeting Notices/Agendas/Minutes posted on [www.grantpud2.org/cwpu](http://www.grantpud2.org/cwpu) and sent to:

Shannon Stuber	DES - Risk Management - State of WA
Ed Manus	IBEW Local 77
Steve Hendrickson	IBEW Local 77