Meeting Minutes
Central Washington Public Utilities
UIP (Unified Insurance Program) Quarterly Trustee Meeting
Wednesday, September 10, 2014, at 10:00 a.m.
Douglas PUD, Auditorium

Roll call / introductions / additional agenda items:
The meeting was called to order at 10:05 a.m. by Chair Shannon. Those present were:

<table>
<thead>
<tr>
<th>PUD</th>
<th>Trustees</th>
<th>Alternate Trustees</th>
<th>Administrators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benton</td>
<td>Melina Wenner</td>
<td>Jody George</td>
<td></td>
</tr>
<tr>
<td>Douglas</td>
<td>Barbara Davis</td>
<td>Gary Ivory</td>
<td></td>
</tr>
<tr>
<td>Ferry</td>
<td>Marilee Kuehne</td>
<td>Sylvia Hubbard</td>
<td></td>
</tr>
<tr>
<td>Franklin</td>
<td>Carrie Locke</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant</td>
<td>Darla Shannon</td>
<td>Annette Hernandez</td>
<td>Leah Knopp</td>
</tr>
<tr>
<td>Okanogan</td>
<td>Don Coppock</td>
<td>Laura Richards</td>
<td></td>
</tr>
<tr>
<td>Pend Oreille</td>
<td>Paul Boxleitner</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Treasurer: Phil Law, Grant PUD*
Mercer: Suzanne O’Neil, Lindsey Cronin, Jeff Scalp
CliftonLarsonAllen: Connie Olson*
State Risk Manager: Shannon Stuber

* participated via conference call

A brief round of introductions began the meeting.

Approval of Minutes:
The group considered the draft minutes of the July 23, 2014 UIP Quarterly meeting. One edit was noted and corrected.

- **Motion** was made by Trustee Locke and seconded by Trustee Boxleitner to approve the regular meeting minutes of July 23, 2014, as amended. Motion passed by unanimous vote.

Treasurers Report:
Connie Olson of CliftonLarsonAllen gave a review of the financial report from July 1 through July 31, 2014. Typically a full quarter of financial information is presented, but due to the meeting timing, only July 2014 was available.

- **Motion** was made by Trustee Coppock and seconded by Trustee Wenner to approve the Financial Report from July 1 through July 31, 2014. Motion passed by unanimous vote.

Report from Broker:
Experience Reports – Broker Scalp reviewed the experience reports in detail.
Renewal Projections – Broker Scalp and Broker O’Neil reviewed renewal projections with the group.

Premium Projections for 1/1/2015 – 12/31/2015
Medical Projections – Broker O’Neil reported that the administrative rate will remain the same rate for 2015 at $54.93. She also shared that Mercer projected a less than 1% decrease for medical rates but suggested that the Trust make no change in rates.

Dental Projections – Washington Dental Service has proposed several options for an increase to their administrative rate for 2015. Broker O’Neil recommends that the Trust accept the increase to $8.05 PMPM for calendar year 2015 versus an increase to $8.13 PMPM for two calendar years, 2015-2016. In addition, Mercer projected a less than 1% decrease for dental rates for 2015 and again recommended that the Trust make no change to the current rates.

- **Motion** was made by Trustee Boxleitner and seconded by Trustee Davis to accept the revised Admin rate from WDS at $8.05 PMPM for the 2015 calendar year. Motion passed by unanimous vote.

Vision Projections – Broker Scalph reviewed the 12% increased projections for 2015. Mercer suggested that because of the volatility in the frames benefit for 2014, it may be best to wait until trends are normalized before making any decisions to increase the vision rate.

- **Motion** was made by Trustee Davis and seconded by Trustee Coppock to keep the Medical, Dental and Vision rates as they were adopted for the August 1st, 2014 stub year, the same for calendar year 2015. Motion passed by unanimous vote.

Plan Design Changes – Broker O’Neil reviewed the changes in plan design; noting the most significant change being the increase in deductibles and OOP (Out of Pocket Max) for PPO and CDHP.

Legislative Update – Broker O’Neil explained additional ACA Reporting requirements that begin in 2016. There are two new required reports: Minimum Essential Coverage and Employer Shared Responsibility. Under each reporting requirement there are two forms for each; Form S6055 and S6056; IRS filing and Individual Statements.

Other Items –

**Compound Rx drugs** – Broker O’Neil verified with Premera that compound drugs are not being billed. Premera is aware of this new trend and will continue to monitor these drugs in the future.

**Premera Vision Claims Audit** – Broker O’Neil gave an overview of the claims audit that Premera is conducting. Carmen Winters, Premera Consultant, met with the Manager of the Special Investigative Unit performing the audit, and shared the following:

- Many steps have occurred to-date, including education letters being sent to providers. With the letters, providers have several steps to take in the process and they are currently waiting for a response.
- To set a clearer timeframe of these types of investigations, providers can appeal and even go to mitigation. All moneys recovered will be returned to the group, but this could take up to a year.
- The question was asked regarding member liability. Contractually, the services are not a covered service, so the member could be held liable. Carmen is taking the questions to the attorney who leads the unit for the answer.
• Premera has the edit set on the CWPUD plans to stop any “frames only” claims, pending claims in order to request the dispensing invoice from the provider. If the frames are not for prescription lenses, then the claim will deny.

At this time, Premera cannot give out any other information but will keep the group up-to-date as the legal team is able to provide more information through the investigation.


  ○ Motion made by Chair Shannon and seconded by Trustee Boxleitner to accept Mercer’s Statement of Work from August 1, 2014 through July 31, 2015, as written. Motion passed by unanimous vote.

Trust Discussion:

COBRA Employees to Utilize Health Advocate – Alternate Trustee Hernandez asked the Trustees if they have considered allowing COBRA employees to utilize Health Advocate. After some discussion, it was decided that the Trust wouldn’t offer this to COBRA employees at this time. Broker O’Neil shared a new service that Mercer can offer to retirees/COBRA participants: www.getinsured.com/Mercer. This program offers the separated employee the opportunity to work with someone that is an expert in finding insurance solutions that meet the individual’s needs. Mercer will get the Trust more information regarding this service.

Employees Receiving Double/Triple Insurance Coverage – Alternate Trustee Hernandez initiated the discussion amongst the Trustees regarding employees who are double and sometimes triple covered under the UIP insurance plan. There is nothing at this time that prevents employees from receiving this benefit, yet it is something the Trust should consider changing so that PUD’s don’t have to pay premiums for individuals with this status (example: employee, spouse and child all work at the PUD, the child is covered under both parents and themselves). Mercer is collecting this data from Premera to determine if this is truly a problem and whether or not this should be considered in the next round of negotiations.

Wellness – EIAC – Chair Shannon shared that Vice Chair Hubbard was taking on the duties related to the EIAC. She asked for an update on the wellness activity by each group. It was going well for all the members.

Self-Accounting for UNUM premiums – The decision was made by the Trust that everyone would continue with list-billing/accounting, except for Grant. Trustee Davis asked if Douglas could also move to self-accounting and Mercer indicated that they would ask UNUM.

HIPAA Security – Broker O’Neil gave an overview of which utilities had contacted Mercer for their HIPAA security audit. It typically takes 90-120 days to complete. If multiple utilities want to schedule their kick-off calls at the same time, this could cut down on billable hours.

Committee Reports –

  • Trustee Coppock mentioned that next claims audit will begin after January 2015.
  • Admin Knopp updated each Trustee with their SharePoint status and notified the ones that need to contact Grant’s IT Department to get logged on to the site.
Cancellation of September 11th Admin Meeting – Chair Shannon asked the group if there was a need for Thursday’s admin meeting. All were in favor to cancel.

Other Agenda Items –

Option of Changing Third Party Claims Administrator – Based on recent customer service concerns with Premera, the Trustees agreed to survey the market place for other potential claims administrators. Mercer will assist the Trust in looking into other products that could be available. Mercer will present their NetPic Service at the January 2015 Trustee meeting.

Mercer Benefits Survey – Should this survey be taken by each utility or can one Trustee submit this for all? Trustee Boxleitner has already started the Survey for Pend Oreille and noted that the questions are more specific for each utility and that the survey is quite lengthy.

2015 Stop Loss Rates – Chair Shannon asked the Trustees how they would like to handle approval of the stop loss rates for 2015. Mercer will have these rates by the end of October.

- Motion made by Trustee Davis and seconded by Trustee Boxleitner that if the 2015 plan year stop loss plan renewal comes in less than an 18% increase in premium costs then Chair Shannon can approve this. Motion passed by unanimous vote.

The next quarterly meeting is scheduled for January 21, 2015, and will be a conference call.

The meeting was adjourned at 2:17 p.m.

Approved by Trustees on February 11, 2015

Darla Shannon, Chair