Meeting Minutes
Central Washington Public Utilities
UIP (Unified Insurance Program) Quarterly Trustee Meeting
Wednesday, February 11, 2015, at 10:00 a.m.
Douglas PUD, Auditorium

Roll call / introductions / additional agenda items:
The meeting was called to order at 10:07 a.m. by Chair Shannon. Those present were:

<table>
<thead>
<tr>
<th>PUD</th>
<th>Trustees*</th>
<th>Alternate Trustees</th>
<th>Administrators</th>
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<tbody>
<tr>
<td>Benton</td>
<td>Melina Wenner</td>
<td>Jody George</td>
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<td>Douglas</td>
<td>Barbara Davis</td>
<td>Gary Ivory</td>
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<td>Ferry</td>
<td>Marilee Kuehne</td>
<td>Sylvia Hubbard</td>
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<td>Franklin</td>
<td>Carrie Locke</td>
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<td>Grant</td>
<td>Darla Shannon</td>
<td>Annette Hernandez</td>
<td>Leah Knopp</td>
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<td>Okanogan</td>
<td>Don Coppock</td>
<td>Laura Richards</td>
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<tr>
<td>Pend Oreille</td>
<td>Paul Boxleitner*</td>
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Treasurer: Phil Law, Grant PUD
Mercer: Suzanne O’Neil, Lindsey Cronin, Jeff Scalph
CliftonLarsonAllen: Connie Olson*
IBEW: Brian Gray, Steve Hendrickson

* participated via conference call

Introductions –

Approval of Minutes:
The group considered the draft minutes of the September 10, 2014 UIP Quarterly meeting. They also reviewed special meeting minutes from October 9, 2014, November 13, 2014, December 11, 2014, December 23, 2014 and January 8, 2015. No other comments were offered regarding the draft minutes.

- Motion was made by Trustee Locke and seconded by Trustee Davis to approve the regular meeting minutes of September 10, 2014, and special meeting minutes from October 9, 2014, November 13, 2014, December 11, 2014, December 23, 2014 and January 8, 2015, as amended. Motion passed by unanimous vote.

Treasurers Report:
Connie Olson of CliftonLarsonAllen (CLA) gave a review of the financial report from August 1, 2014 through December 31, 2014.

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

SAO Review – Connie Olson gave an overview of the financial statement audit performed by SAO. One footnote brought up (Note 6) discussed a different type of reporting on the note. CLA is working with SAO on this change.
Treasurer Law told the group that if the Trust decides to have SAO perform a stub-year audit, they have
to perform the same amount of work, but it covers a smaller period of time. The estimated cost to
perform this audit would be $7,000 and would be done in the April/May timeframe. CLA is willing to
absorb any extra time and for the Trust as they feel like it is important to align the UIP plan year and
financial calendar year-end. Treasurer Law told the group that this is much more efficient and it is his
recommendation to have the stub-year audit completed.

- **Motion** was made by Trustee Coppock and seconded by Trustee Locke to approve a stub-
  year audit by SAO to align the plan year with the financial calendar year, pending approval
  by the State Risk Manager. Motion passed by unanimous vote.

Treasurer Law asked the group if by 2016 there could be a volunteer to take over role of Treasurer. The
Trustees said they will reach out to their PUD’s.

**Report from Broker:**

**Experience Reports** – Broker O’Neil discussed the “year-in-review” report and went through all of the
changes due to the plan year changes and other changes required by ACA. Mercer notified the group that
projections for excise tax will be zero for 2018. Broker Scalph gave an overview of the experience
reports moving through medical and large claims. (See additional notes in broker’s report)

**Excise Tax** – Broker Scalph and O’Neil reviewed their excise tax calculations and explained their process
of taking rates and trending them.

**2015 Business & Benefit Priorities** – Broker O’Neil shared with the group that Mercer wants to be on-
board from a benefits perspective to be able to offer what the Trust needs. They want to be able to see
needs and offer value to the group. Mercer would like us to communicate the challenges we are having.
If the group can assist with this, please reach out.

**NetPiC Analysis** – Broker O’Neil explained that Mercer has a tool that can compare other vendors with
Premera and their network discounts. By using this database tool, Mercer can help analyze/aggregate
how claims would be paid by different vendors (such as Premera). This tool can also provide disruption
analysis with regard to provider networks. The cost is quoted at $4,000. Broker O’Neil confirmed that
they can look at the PUD level and see the difference in claims costs and disruption to service costs.
There are also options to run reports by provider access which will show which doctors are in-network vs.
out-of-network. Chair Shannon mentioned that over time, out-of-network providers may choose to
participate (join the network) to get more business. This tool could help us understand the impact to our
employees if we were to consider another vendor aside from Premera. If this is something that the Trust
is interested in, Broker O’Neil will begin the SOW and the time-frame would be approximately 60 days.

**Legislative Update** – Broker O’Neil provided refresher material for the Employer Shared
Responsibilities and associated reporting (including forms).

**Vision Claims Audit** – Premera gave an email update to Mercer the morning of our Trustee meeting.
Mercer has asked Premera to provide correction of claims, actual reimbursement amounts and claims
detail by PUD. Mercer has not received anything to-date, but as soon as they do they will share this
reporting information with the Trust. The vision claims audit can go only go two years back.

**Trustees**

**Employees transferring from PUD to PUD** – Vice Chair Hubbard asked the question should out-of-
pocket medical expenses follow employees who transfer from one PUD to another or should these costs
start over? Premera does not care how the Trust handles this but it should be consistent. This was discussed and it was determined that when an employee transfers that all costs should reset since it is new employer. For wellness activities, this can be decided by PUD.

**Meeting Schedules** – A few questions were brought forward around UIP meeting schedules and the rules and regulations related to the Open Public Meetings Act. The Trust may want to consider changing the bylaws to reflect any necessary changes are made. Trustees feel that legal information needs to be obtained before making a determination around this topic.

**Health Advocate** – The contract term ends June 30, 2015 with Health Advocate. Vice Chair Hubbard asked Trustees if they want to continue both the Core Advocacy and Wellness agreements or just the continue the Core agreement? Trustees feel like Health Advocate is helpful for the Core Advocacy plan but not as much with the Wellness portion. If the Trust renews, this will be a two-year commitment. If the Trustees determine that they want to terminate the contract, we will need to give 90 days notice.

  - **Motion** was made by Trustee Davis and seconded by Trustee Wenner to give 90-days to terminate the Health Advocate Wellness services. Motion passed unanimously.

**EIAC Wellness** – Chair Shannon asked each Utility for an update on their wellness status:

- Benton – Has not moved forward with anything
- Douglas – Has moved forward without much push-back
- Ferry – GM is not supportive, but they have moved forward because of the decision
- Franklin – Has moved forward; employees are participating
- Grant – Has not moved forward; wellness program is on-hold until further decisions are made
- Okanogan – GM wants more specific cost/benefit analysis before they can participate
- Pend Oreille – Has not moved forward; on-hold until further discussion

Broker O’Neil shared with the Trustees that a specialist from Mercer is willing to come out and talk with the group and discuss wellness ideas, cost/benefit analysis and supportive data that show that wellness does make a difference. Most Trustees felt that their General Managers would participate if this event is scheduled. Chair Shannon asked if Trustees could take back some ideas to their GM’s for the phone call 2/12 so that a decision can be brought forward to the EIAC meeting on 2/18.

**CDL Physicals** – Leah will reach out to Trustees and determine which PUD’s are utilizing the Trust for CDL’s or paying for them directly.

**SAO Performance Audit** –

  - Third Party Administrator Issue - Chair Shannon brought up that per the Audit, the Trust needs to go out for RFP for medical and dental providers. This needs to be completed after our broker services for RFP. Mercer’s NetPiC service can assist with this but this will not count for the RFP process.
  - Validation to substantiate claims – Treasurer Law mentioned that Trustees should start with the SAO and negotiate with them what the Trust can do to validate these claims. Chair Shannon shared that Shannon Stuber, Washington State Risk Manager, is providing her with networking contact information. Alternate Trustee Ivory volunteered to help Treasurer Law if needed.
Claims Audit – Chair Shannon shared that the last claims audit that was done for the Trust was approx. $34,000. She contacted Moss Adams and they are interested in performing our claims audit review again if that is the direction the Trust wants to go. The Trustees felt that a couple of quotes would be appropriate before selecting a firm to review the claims audit. The Trustees came up with several items that will be included in the scope of services.

The next quarterly meeting is scheduled for April 22 at Douglas PUD.

The meeting was adjourned at 3:24 p.m.

Approved by Trustees on April 22, 2015

Darla Shannon, Chair