

Meeting Minutes
Central Washington Public Utilities
UIP (Unified Insurance Program) Quarterly Trustee Meeting
Wednesday, January 27, 2016, at 10:00 a.m.
Grant PUD Commission Room

Roll call / introductions / additional agenda items:

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

<u>PUD</u>	<u>Trustees</u>	<u>Alternate Trustees</u>	<u>Administrators</u>
Benton	Melina Wenner	Jody George	
Douglas	Barbara Davis		
Ferry	Marilee Kuehne		
Franklin	Carrie Locke	Sylvia Hubbard	
Grant	Darla Shannon	Annette Hernandez	Leah Knopp
Okanogan	Don Coppock*	Katie Pfitzer*	
Pend Oreille	Paul Boxleitner*		

Treasurer: Rob Gillespie*

Alliant: Schuyler Briscoe, Keith Robertson, Kim Chawes, Jennifer Spence, Charlie Buser*

CliftonLarsonAllen: Connie Olson*

* participated via conference call

Treasurer's Report

Connie Olson, with CliftonLarsonAllen, reviewed the Financial Report from September 1 through December 31, 2015. She walked the group the income statement, other operating expenses, investments and reserves. There were questions with the IBNR account and it was decided that Connie would work with Alliant to get answers and Trustees would vote on the Financial Report at the next Administrator's call on February 11, 2016.

Alliant

Broker Briscoe and Kim Chawes, Alliant, reviewed through the 2016 renewal recap, discussing Medical, Rx and Vision Administration, plan design changes.

Wellness Overview

Alternate Trustee George thanked the Subcommittee for all of their hard work. She gave an overview of the Subcommittee proposal. The first step of the proposal is to find a wellness vendor that can assist with program management. The Subcommittee has been interviewing three vendors; Preventure, Wellness IQ and Virgin Pulse. They would like to screen this selection down to two choices and bring these forward to the next EIAC meeting. The second item is to approve a proposal to open discussion with the EIAC for 2017 qualification activity to occur in 2016. These items proposed are:

- Participating in a minimum of two (2) preventative health exams (dental, vision, medical) between January 1 and December 31, 2016
- Participate in a biometric screening
- Attend one (1) onsite or web-based activity intended to introduce employees to the new Wellness Program Manager and portal
- Complete a health assessment on the wellness portal

- Attesting to being tobacco free for 60-90 days or complete a tobacco cessation program
- Participate in a CDL Medical Certification Exam between January 1 and December 31, 2016
- Participate in any number of engagement activities, educational sessions or challenges via the wellness portal that will provide the employee with the remaining points needed to qualify for the incentive

The third proposal is getting authority from the Trustees to develop a Wellness Champion Network to consist of utility employees who are role models for well-being and who have the competency and ability to contribute the success of the program. Chair Shannon asked what the Subcommittee needed from the Trustees to be able to present at the EIAC meeting. She asked the Trustees if they are okay with proceeding with using a menu option with a point system.

Each Trustee shared their concerns with utilizing a wellness vendor going forward. Chair Shannon asked the Subcommittee to share the cost for these services. The cost varies between the three vendors, but the base monthly fee is approximately \$4.66 PEPM. Trustees will discuss whether or not a wellness vendor can be supported by their General Managers and be prepared to share this at the next Administrator call in February.

Claims Audit Update

Francis Orejudos with Moss Adams thanked the Trustees for doing business with Moss Adams. He gave an overview of the areas that were audited.

1. Claims Random Sample Review – Moss Adams reviewed 120 claims selected from a population of 76,764. They used this approach so that they could look at over 10% of claims.
2. Claims Targeted Sample Review – Moss Adams looked at UIP employees within the same family, non-prescription sunglass frames, 4th quarter carry-over deductible amounts and members who have moved from the PPO plan to the CDHP plan.
3. Operational Assessment – Moss Adams evaluated PBC's claims operation processes, polices and functions that directly or indirectly impact claims operations.

Francis gave an overview of the finding that Moss Adams found when they reviewed random claim samples, targeted samples and operational assessment observations.

Francis mentioned that in their review they were limited to their audit review within the 120 of claims sampled. However, Moss Adams is finding these similar findings amongst other Premera customer's. Moss Adams feels that there are processes and controls in place so that there is quality assurance and cost containment. Moss Adams is not concerned with their observations.

Lastly, Francis shared Moss Adams conclusion and recommendations as follows:

1. **Error resolution** – Premera should confirm that all errors identified as part of the review are corrected and properly credited to CWPU/UIP.
2. **Cost containment** – Overpayment recoveries (\$149,090) related to CWPU/UIP claims were identified by Calypso, PBC, recovery vendor, for the audit period.
3. **Deductible amounts** – Moss Adams identified eight errors having to do with incorrect calculated deductible amounts from the random sample and targeted sample reviews. Four of these errors involved deductible amounts for claims paid in the 4th Quarter of 2014 not being carried over to

the 2015 calendar year. Premera attributed these errors to processor training and to errors in the system configuration.

Moss Adams recommends that CWPU/UIP work with Premera to confirm that these errors are investigated and ensure that appropriate training is provided to claims processors. Also Premera should ensure that the configuration of the claims processing system correctly supports the 4th Quarter carry over provision to ensure that these types of errors do not reoccur CWPU/UIP claims. Moss Adams also recommends that the remaining population of claims impacted by the 4th Quarter carry over is reviewed to correct any similar issues with CWPU/UIP member accounts, especially as Premera has recently started to process 4th Quarter 2015 claims for CWPU/UIP.

4. **Maternity Services** – Moss Adams observed one claim where a dependent daughter’s maternity services were paid in error. Moss also identified that similar claims outside of the sample for the same member were paid in error. Premera indicated that the primary diagnosis code on the claims was not on the list of non-covered maternity diagnosis codes, and is working to have this code added so that future claims will be denied correctly.
Accordingly, CWPU/UIP should follow up with Premera to confirm that the maternity diagnosis code is properly added for denial. In addition, Premera should ensure that the total overpayments of \$4,203 (in-sample and out-of-sample) related to this error are properly credited to CWPU/UIP. Lastly, Moss Adams recommends that Premera perform an analysis on the population of CWPU/UIP claims to identify any other similar claims paid in error related to other members.
5. **OON dialysis payment rates** – Moss Adams observed one claim where an OON dialysis provider was paid at the wrong payment rate. They also identified that similar claims outside of the sample for the same member were paid in error. Premera indicated that they were in the process of researching the root cause for this error.
Accordingly, CWPU/UIP should follow up with Premera to confirm that the root cause of this error has been identified, and that proper steps will be taken to correct this issue and ensure that it does not occur again for CWPU/UIP claims. In addition, Premera should ensure that overpayments of \$28,815 (in-sample and out-of-sample) related to this error are properly credited to CWPU/UIP. Lastly, Moss Adams recommends that Premera perform an analysis on the population of CWPU/UIP claims to identify any other similar claims paid in error related to other members.

EIAC Proposal

- Broker Robertson shared Alliant’s vision for the Utilities: Achieve long term financial sustainability while protecting the value of the plan, improving health and increasing member satisfaction.
- Charlie Buser, Alliant, reviewed medical trend and how Utilities compare to the national trends.
- Broker Robertson and Broker Briscoe shared information and concerns around Provider consolidation and specialty drugs. Much discussion was around specialty drugs and why these costs are so high. Alliant will look into the Case Management services available from Premera.
- Kim Chawes, Alliant, reviewed the latest around Healthcare Reform (ACA) and what Trustees will face with the Cadillac Tax. There are some unclear areas and Alliant is trying to get confirmation from their compliance team around Cadillac Tax.
- Broker Briscoe presented cost containment strategies; wellness, migration to the CDH plan, HRA/VEBA contributions, adjust contribution schedule and possibilities of terminating the PPO plan. Alliant shared plan design adjustments with Trustees and inquired what options Trustees would like to see proposed at the next EIAC meeting. Trustees would like Alliant to propose changing the OOP maximum because it is easiest to message and has the highest savings. Trustees also want Alliant to present the options of playing with numbers so everyone can see the

benefit of increasing and decreasing the OOP. Alliant will use their renewal adjustment calculation tool to display this.

- Broker Robertson gave Trustees an overview of emerging strategies such as Telemedicine, transparency tools, ACO's (Accountable Care Organization), defined contribution/private exchanges, narrow networks/direct contracts, reference based reimbursement (RBR) and employer sponsored clinics.

Approval of Minutes

This agenda item will be presented at the next UIP Administrator's call.

Crime and Fiduciary Policies

Chair Shannon presented the Crime and Fiduciary policies for 2016.

Motion

Motion was made by Trustee Davis and seconded by Trustee Locke to approve the Crime and Fiduciary Insurance policies, effective March 1, 2016. Motion passed unanimously.

PEBB

This agenda item will be presented at the next UIP Administrator's call.

September Trustee Meeting Change

This agenda item will be presented at the next UIP Administrator's call.

Admin Hours for Leah Knopp

Admin hours for Leah Knopp were shared with Trustees as an FYI.

Other Agenda Items

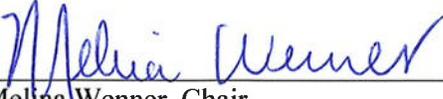
There were no other agenda items.

Next Meeting Details

The April 27th Trustee meeting will be at Alliant's Seattle Office.

Meeting adjourned at 4:09 p.m.

Approved by Trustees on June 9, 2016



Melina Wenner, Chair

Distribution:

Trustees

Melina Wenner
Barbara Davis
Marilee Kuehne
Carrie Locke
Darla Shannon
Don Coppock
Paul Boxleitner

Alternate Trustees

Jody George
Gary Ivory
Sue Nush
Sylvia Hubbard
Annette Hernandez
Katie Pfitzer

Public Utility District of:

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

Administrators/Others:

Cindy Lynn-Bartella
Shanna Rice
Jodie Moxley
Schuyler Briscoe
Keith Robertson
Kim Chawes
Karen Murray
Carrie Reed
Kerri Coyle
Jennifer Spence
Charlie Buser
Connie Olson
Lee Colclasure
Brett Bergeson
Rob Gillespie
Janet Crossland

Okanogan PUD
Pend Oreille PUD
Benton PUD
Alliant
Alliant
Alliant
Alliant
Alliant
Alliant
Alliant
Alliant
CliftonLarsonAllen
CliftonLarsonAllen
UIP Auditor – Grant PUD
UIP Treasurer – Grant PUD
UIP Assistant Treasurer – Grant PUD

Public Meeting Notice/Agenda
via email to:

Shannon Stuber
Brian Gray
Steve Hendrickson

posted on www.gcpud.org/cwpu

DES – Risk Management – State of WA
IBEW Local 77
IBEW Local 77

CWPU Rep/Managers Group:

Chad Bartram
William Dobbins
John Friederichs
Tim Nies
Tony Webb
John Grubich
F. Colin Willenbrock
Bob Sebris
Ed Taylor

Benton County PUD
Douglas PUD
Ferry County PUD
Franklin County PUD
Grant County PUD
Okanogan County PUD
Pend Oreille County PUD
CWPU Labor Counsel
CWPU Labor Counsel