

Meeting Minutes
Central Washington Public Utilities
UIP (Unified Insurance Program) Quarterly Trustee Meeting
Wednesday, July 27, 2016, at 10:00 a.m.
Franklin PUD – Pasco, WA

Roll call / introductions / additional agenda items:

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

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

Auditor: Brett Bergeson -- Auditor

Treasurer: Rob Gillespie – Okanogan PUD

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

CliftonLarsonAllen: Connie Olson

IBEW: Lyn Hill, Shop Steward

* participated via conference call

Introductions

Treasurer's Report

Q2 2016 Financial Report

Connie Olson with CliftonLarsonAllen reviewed the Financial Report from April 1, 2016 through June 30, 2016. She walked the Trustees through the income statement, other operating expenses, investments and reserves. The income statement has stayed pretty flat this past quarter. The IBNR and contingency accounts are up a bit this quarter since investments have been redeemed. There are no deficits in the reserves (still strong).

Vice Chair Hubbard noted that the Rx costs have increased. Connie agreed and stated that the rebates have also increased to offset this. Also, because of this increase, the State Auditor's office recently requested that we accrue the rebates going forward to more accurately reflect the net position in the financial statements. While the amount of the rebates has been considered immaterial in the past (and the amount continues to be), the process will present a preferred matching of the revenue to the correct time period.

Motion was made by Trustee Coppock and seconded by Trustee Davis to approve the second quarter 2016 financial reports (April 1, 2016 – June 30, 2016). Motion passed unanimously.

State Audit Report

Ms. Olson also gave an overview of the recent audit. She stated that the audit went smoothly and at the exit conference the Trustees were commended for their participation in the audit. Chair Wenner also recognized Ms. Olson's work on the audit.

There were no material changes noted from the audit. The full report is now available online for review with the State Auditor's Office. The next audit will be in 2017 and it will include an accountability audit for years 2014 – 2016 as well as the financial audit.

PCORI

Kim Chawes, Alliant, reviewed the calculation of the PCORI fee owed by the Trust. She also provided a brief review of what the PCORI fee represented and gave additional information for the Trustees to read should they have further questions about the PCORI requirements/regulations.

Motion was made by Trustee Davis and seconded by Trustee Locke to approve payment of the PCORI fee at a cost of \$6,384.14. Motion passed unanimously.

Presentation by Health Advocate

Health Advocate representative Debbie Beltz provided a presentation of our Health Advocate benefit that included operational changes that Health Advocate is implementing, the Trust's utilization of the benefit, a review of the benefits available under our contract, and a more in-depth discussion of the Enhanced Advocacy platform.

The Enhanced Advocacy platform consists of three dashboards. Dashboard information is based on claims data that would be transferred from Premera if this program is implemented. Based on this claims information, a Health Advocate counselor could assist employees calling in with additional issues besides what the employee initially inquires about. The result is intended to be a more integrated approach to helping employees manage their care proactively. Additionally, in Q1 2017, the member will see an updated online dashboard when they sign into their account with Health Advocate. The dashboard will provide reminders of preventive exams, etc. Lastly, an aggregated dashboard will be available at the executive level that can help direct employee wellness programs and make good decisions regarding benefits in the future. Some key things to remember if the Trustees decide to implement:

- The aggregate dashboard cannot be set up for a site with fewer than 30 members
- Members will need a separate sign-on to get to their personal dashboard
- Members can ask to be excluded
- Members can print the dashboard to take to their doctors for discussion purposes
- Third party vendor information can be added (post meeting note: if the information is submitted to Health Advocate in a specific format, there is no additional charge – if not, costs for formatting could be as high as \$2K).
- The Member Dashboard can be accessed from home

Ms. Beltz also discussed a number of flyers that are available from Health Advocate that can be requested. The group asked if the flyers could be sent out and she agreed to that. Alt. Trustee Shannon asked if there were any copyright concerns if they were posted to a SharePoint site for all the members to access. Ms. Beltz indicated that this would not be a problem.

Vice Chair Hubbard asked how our utilization compared with other similarly sized clients. Ms. Beltz indicated that our utilization was low. Ms. Beltz suggested that additional efforts could be made on regular and consistent communication to improve the overall utilization of the benefit. Additionally, Ms. Beltz indicated that she had access to several different communication pieces that the Trustees might appreciate.

Chair Wenner thanked Ms. Beltz for her presentation and stated her appreciation for all the valuable information. Chair Wenner indicated that further discussion about Enhanced Advocacy would be part of the administrator's call in August.

Presentation by Unum

Caitlin Corr and Mike Wagner provided a presentation on our Unum benefits. Much of the discussion focused on the additional benefits offered by UNUM aside from the obvious benefits of Life and Disability. As part of the discussion, it was determined that our contract with UNUM may not reflect our current interests (or collective interests) with approaches to offering modified duty to individuals out on Short-Term disability.

Trustee Davis asked if Long-Term Care would be available again for another guarantee issue (open enrollment) in the future for current employees. UNUM indicated that this is a closed block of business for them and they are unable to sell it.

Chair Wenner requested that UNUM forward a copy of CWPU contract to her. Chair Wenner indicated that there would be conversation about this contract at our Administrator's call in August.

UNUM also shared that their Specialists case load is around 75 cases. The industry average is 100 – 125 per specialist. The average tenure of their Specialists is 15 years.

Lunch

Experience Reports

Broker Briscoe reviewed the experience reports and associated proposed rate increases with the Trustees. Alliant recommended rate increases for both medical (11.7%) and dental (1.42%). An increase was not recommended for vision at this time.

The administration fee for Premera has increased by 2.51% for a single year contract. Attendees discussed concerns regarding recent negotiations between Premera and Providence. Additional conversation occurred around adding Teledoc (even as a pilot program), the NICU/maternity services, and whether signing a multi-year contract with Premera might lower costs. Additional information about Teledoc will be brought to the September Trustee meeting for consideration.

The Stop Loss increase is 13.23% which is lower than the expected 18% increase originally projected by Alliant. Additionally, it was noted that if our year continues as it is with lower utilization (currently running at 74% of expected) of our stop-loss benefit, we may realize a refund of between 8-15% (15% would represent about \$50K refund).

Dental administration fees (Delta Dental) have been reduced to \$7.50 PEPM from \$7.90 PEPM. Alliant did market against other dental administrators, which assisted with the reduction in fees. See presentation materials for marketing analysis/rates.

UNUM offered a rate pass for life and disability products. Alliant also did a marketing analysis of these benefits and offered cheaper alternatives with both Symetra and Cigna. All benefit provisions were matched as part of the marketing. Broker Briscoe offered advice based on his experience with the different vendors. He stated that a change would be administratively difficult for the HR departments, but the change can save money to the plans. Additionally, Symetra has a strong client manager and offers additional benefits (a three year contract offered and 5 counseling visits per claim for the EAP). Cigna recently had a number of changes in their executive group that might be a factor to consider. Kim Chawes, Alliant, will bring a full contract compare to the September meeting for review by the Trustees/Alt. Trustees.

There were rate passes for the Health Advocate and Rehn contracts.

With the new regulations from the EEOC, our wellness plan is considered participatory and the plan does not need to consider incentive percentages in our implementation/administration at this time.

Motion was made by Trustee Davis and seconded by Trustee Coppock to increase medical rates by 10.0% and dental rates by 1.42% for the 2017 plan year. Motion passed unanimously.

Open Enrollment Materials

Alliant requested that all Trustees review the open enrollment materials and provide feedback to Kim Chawes.

Trustee Minutes

It was noted that the April 27, 2017 meeting minutes had the incorrect last name of the Trust's CliftonLarsonAllen representative.

Motion was made by Trustee Davis and accepted by Trustee Kuehne to accept the April 27, 2016 Quarterly meeting minutes (as amended above) and the June 9, 2016 Special Meeting minutes. Motion passed unanimously.

Wellness Events

Vice Chair Hubbard led a brief discussion on how the wellness event is going at each PUD. Generally there were no major concerns shared. Alt. Trustee Pfitzer shared that Walmart is now offering onsite flu shot clinics.

Other Business

Chair Wenner shared changes in HRA VEBA fees that were recently announced. Beginning July 1, 2016, participants will no longer be charged a monthly administrative fee if their total account balance is more than \$5,000. Also, a .25% asset-based fee discount will apply to balances over \$10,000.

Alt. Trustee Shannon shared that Grant PUD is in the beginning phases of a due diligence process for a near-site clinic project. The intent of the communication is to be transparent to the other members of the Trust and additional information would be shared as due diligence progressed. Broker Robertson shared additional information about how onsite/near site clinics work in general and how they affect claim costs.

Motion was made by Trustee Hernandez and seconded by Trustee Davis to move the fourth quarter meeting from October 26th to September 21st, 2016. The motion passed unanimously.

Next Meeting

The next UIP Quarterly Trustee meeting will be at Douglas PUD on September 21st, 2016.

Meeting Adjourned at 3:35.

Approved by Trustees on September 21, 2016



Melina Wenner, Chair