

Central Washington Public Utilities
UIP (Unified Insurance Program)-Quarterly Trustee Meeting
Grant PUD, 30 C Street SW Ephrata, WA 98823
Wednesday, October 24, 2018
Meeting Minutes

Roll call

The meeting was called to order at 10:00 a.m. by Chair Wenner. The following individuals were in attendance:

<u>Trustees</u>	<u>Alternate Trustees</u>	<u>Public Utility District</u>
Melina Wenner	Jody George	Benton PUD
Barbara Davis	-	Douglas PUD
Marilee Kuehne	-	Ferry PUD
Carrie Locke	-	Franklin PUD
Annette Hernandez	Darla Stevens	Grant PUD
Don Coppock	-	Okanogan PUD
-	-	Pend Oreille

UIP Auditor: Brett Bergeson

UIP Treasurer: Rob Gillespie

UIP BPA: Stacie Frank

Alliant: Schuyler Briscoe, Keith Robertson, Kim Chawes

CliftonLarsonAllen: Connie Olson

IBEW Local 77: Tim Barnett

Premera Blue Cross: Carmen Winters*, Trevor Moore*

***Joined via conference line**

MEETING MINUTE APPROVALS

Trustees reviewed the minutes for the meetings held on:

- September 13, 2018
- October 11, 2018

Trustee Kuehne pointed out that Dana Kincaid is incorrectly listed from Pend Oreille PUD, this should be corrected to Okanogan PUD.

Motion to approve September 13, 2018 and October 11, 2018 minutes as received contingent upon the amendment to the September 13 minutes as indicated above was made by Trustee Locke and seconded by Trustee Coppock. Motion passed unanimously.

TREASURERS REPORT

Connie Olson, with CliftonLarsonAllen reported on the Trust Financials for the period beginning July 1, 2018 through September 30, 2018. Ms. Olson's highlights from the report were as follows:

- Income Statement
 - Premiums received from members for July is less due to previous software duplication corrections made by Douglas.
 - Quarter 1 2018 Rx rebates were received in July in the amount of \$165,966.
 - Flu Shot credit of \$891 in September. This is due to the difference in the accrued 2017 flu shots for Benton vs the actual invoice.
- Other Operating Expenses
 - The annual ACA Form 720 payment was made in July.
- Statement of Net Position

- IBNR Short Term Investments are slightly up
- Accrued claims were noted as a large amount.
- Prepaid member contributions were paid early.
- Reserve Balances
 - The IBNR is still a deficiency, but the deficiency has been decreasing slightly each quarter this year.
 - Note that the medical premium holiday is as of 8/31/18; 9/30/18 was not available.

Following Ms. Olson's report, Chair Wenner asked for questions. No questions were brought forward at this time.

Motion was made by Trustee Coppock and seconded by Trustee Davis to approve the Financial Report for the Trust for the period of July 1, 2018 through September 30, 2018. Motion passed unanimously.

SUMMARY OF CONTRACT CHANGES

10:15 a.m. - Premera Blue Cross representatives Carmen Winters, and Trevor Moore joined the meeting via conference line to present the Summary of Contract Changes and the discuss TPA claims audit.

Ms. Winters directed attention to the Summary of Contract Changes provided in the meeting packets. She pointed out that 3D mammograms have been covered in the past but the plan document has not specified it as a covered service. This change would simply add the language to the plan document. Chair Wenner pointed out that the Summary of Contract Changes seems to have multiple language clarifications with 3 main decision points. Trustees agreed that the language clarifications are in line with the expectations of the plan and further conversation should be reserved for the 3 decision points; opioid management, male sterilization, and over-the-counter male contraceptive devices and supplies.

Opioid Management- Ms. Winters pointed out that the objective of the Opioid Management program is to attempt to identify and prevent waste and abuse. The new "standard opioid management service" would monitor the number of pharmacies, doctors and refills surrounding these controlled substances. It would potentially lock members into one pharmacy and one prescribing doctor. This option would add \$0.12 per employee per month (PEPM) to the current administration fee. The "enhanced controlled substance program" would add \$0.98 PEPM to the administration fee and would add pill disposal kits and targeted outreach in addition to the pharmacy, doctor and refill limitations included with the standard option. Ms. Winters continued by pointing out that no opioids were reported in the UIP top 30 Rx claims on the most recent quarterly report.

Trustees entered discussion surrounding opioid management. Conversation surrounded; current management by pharmacies, current difficulty of access to these medications already being reported by members, and management gaps that are being created with dentists prescribing large quantities unnecessarily. Concerns with limiting access included; situations of injury that required multiple prescribing doctors, increase in administration fees to add this program when renewal decisions have already been approved, and renewal rates established and communicated. Trustee Davis indicated that despite these concerns, Douglas would be on board with implementing the standard opioid management service as she sees that this is a national problem that could potentially have impact on the UIP plan. She did however voice that a communication plan would need to be established to ensure understanding from members as their access would be changing. Further Trustee discussion indicated that the "no opioid management services" option may be enough as we do not currently see this as an issue on the UIP plan and the doctors are already managing it closer due to lawsuits and public awareness. Chair Wenner and Trustee Kuehne agree that continuing management as it has been in the past would be sufficient. Grant would be comfortable with either the no management or the standard option at this time. Trustee Coppock indicated that he is comfortable with continuing as is.

Chair Wenner suggested a watch and see approach while keeping the management as is for now. She would rather see Teledoc or something similar if we are going to approve an added expense. Alternate Trustee George

points out that although we may not be seeing misuse among employees, dependent and spouse population is larger, this is where misuse potential could be. Chair Wenner pointed out that employees are becoming more aware of the issue and already voicing that they are monitoring misuse early so it does not become a problem. Chair Wenner asked if anyone has a strong feeling toward electing option 2. Trustee Davis indicated that she is fine with electing no management service but wants to make sure that we are utilizing the tools that Premera has available to monitor whether or not it is becoming an issue on the UIP plan.

Motion to elect “No Opioid Management Services” for the 2019 plan year was made by Trustee Coppock and seconded by Trustee Kuehne. Motion passed unanimously.

Male Sterilization-Ms. Winters indicated that the decision point is whether or not to cover male sterilization at 100% which would match the state mandated coverage for fully insured plans. Trustee Davis requested information of how this is currently covered. Ms. Winters clarified that male sterilization is currently covered subject to deductible and coinsurance. Trustees continued to discuss the fact that female sterilization is covered in full due to Affordable Care Act regulations. The cost and risk associated with female sterilization is much larger. Trustee Davis pointed out that the coverage needs to be consistent between the PPO and HDHP plan. Benton, Franklin, Ferry, Grant and Okanogan all voice that they would be in favor of 100% male sterilization.

Motion to add 100% coverage for male sterilization to both the PPO and HDHP plans for the 2019 plan year was made by Trustee Hernandez and seconded by Alternate Trustee George. Motion passed unanimously.

Male Contraception. Ms. Winters indicated that the State of WA is requiring over the counter male contraception to be covered under the fully insured plans, however, self-funded plans still have a choice. She indicated that if this is added, over the counter contraception would be covered thru a pharmacy or by submitting for reimbursement. There are no limitations to quantity under this option. The decision point is to cover it or not to cover it under the plan. Mr. Robertson pointed out that the plan would absorb the full cost with this provision as quantity and brand are not limited, nor is there a requirement for prescription.

Chair Wenner questioned female contraception. Ms. Winters confirmed that female contraception is covered in full. However, it has to be purchased to be thru a Pharmacy. Trustees continued in conversation surrounding the fact that there are no limitations to this addition to the policy.

Motion to opt out of male contraception is made by Trustee Locke and seconded by Trustee Hernandez. Motion passed unanimously.

Outcome/Future Action: Ms. Chawes will update the Summary of Contract Changes with the outcome of today’s decisions and provide it to Ms. Winters and Ms. Frank.

PREMERA CLAIMS AUDIT UPDATE-

Mr. Briscoe indicated that the audit that CWPU UIP is requesting is actually 2 fold; primarily, a random scope audit and secondarily, a targeted electronic scope audit. The primary random scope audit is typical of what has been done in the past and everything is ready to move forward with this portion of the request. The secondary audit request has been reviewed by Premera’s legal team and it has been determined that they will not allow it as it does not fit within the scope of audit as outlined within section 11.2 of the TPA agreement. Mr. Briscoe continued by explaining that in general these types of audits are very resource intensive and as a general practice do not provide any more details than what the primary audit provides. In addition, some of the information that CTI has requested falls under a proprietary scope in that it asks for provider pricing. Premera will gladly provide the unbiased random audit which they feel is sufficient in covering the needs of our audit request.

Chair Wenner questioned the exclusion of targeted claims as this has been allowed in the past. Ms. Winters confirmed that it is allowed if there are specific areas that need to be focused on.

At this point Chair Wenner indicated to Premera that we will get back with them regarding how the Trust wishes to move forward and understand that they have set aside time for CTI to be on site sometime in December so they will need to know our decision as soon as possible for scheduling purposes.

10:50 a.m. Ms. Winters and Mr. Briscoe left the call at this time.

Trustees continued with detailed conversation regarding the concerns with the audit which included Mr. Bergeson's explanation of a random audit being statistically sufficient in providing the detail that is needed under the scope of this audit. Trustees commented on their concern of the lack of transparency from Premera. Ms. Chawes pointed out that a random sample of 200 is standard for this type of audit. Mr. Robertson commented on the state audit requirements and indicated that this random audit would comply. The 100% electronic screening audits are designed to go beyond those requirements and attempt to recover claim funds. His recommendation is that we move forward with the basic audit and revisit the more robust audit in the event of issues that arise from there.

Ms. Davis questioned whether we want to roll over this section in the contract or if we should amend the language to include the 100% screening for future years. Ms. Chawes indicated that the 100% screening is unusual and she believes we would have this issue no matter the carrier.

Chair Wenner recommended raising random sample from 125 to 165 or 200 in order to get closer to the more standard 200 random claim audit. Ms. Chawes indicated that she will go back to CTI in order to request that the additional audit features be dropped with no charge. These were guaranteed services so dropping them should not be an issue.

Outcome/Future Action: Ms. Chawes will request that CTI remove the targeted with 100% electronic screening from the agreement and increase the scope of the random audit to 200 claims. She will bring back revised proposal numbers to the Audit committee for review.

BROKERS REPORT

Claims Experience- Mr. Briscoe reported on the provided experience report. His summary indicated that the overall loss ratio is running at 97.7% in the current plan year with a 99.9% loss ratio when looking at a rolling 12 months. Both the medical PEPM and Rx PEPM are lower in the current plan year than they were in the previous plan year and there were 0 stop loss violations in the current or previous plan years.

The PPO plan report illustrated a loss ratio of 103.2% in the current plan year and 105.7% for the previous rolling 12 months. The total combined medical and Rx PEPM is \$1,469 year to date. The CDHP plan is running at 92.8% in the current plan year. This plan is running at 94.3% loss ratio in the most recent 12 months and the total combined medical and Rx PEPM is \$740 YTD (about half of the PPO plan).

The Dental plan is running at 95.8% loss ratio YTD and the plan is running at 88.9% loss ratio over the most recent 12 months. The Vision plan is running at 91.4% loss ratio YTD and 108.8% loss ratio over the most recent 12 months.

There have been 6 large claimants with claims over \$125,000. None have hit the specific stop loss level of \$250,000. There is however, one large claimant that is approaching the \$250,000 mark at \$241,137.

In summary Mr. Briscoe pointed out that Medical and Rx trends from the 2015 plan year to 2018 are lower than the national trend, dental claims have held pretty steady and vision claims have decreased over the same period.

TPA RFP, Next Steps- Mr. Briscoe reminded Trustees that CIGNA did stand out as a top contender in regards to the TPA RFP that was done in 2018. The indication at that time was that there was not enough time to make a change for 2019 but that it would be revisited for the 2020 timeline. Mr. Briscoe would like clarification on the level of interest in reengaging CIGNA at this time as we look further at potential changes in TPA. Alliant has already sent a list to CIGNA of potential contracting holes with providers for their review.

Trustees entered into conversation surrounding this topic. Chair Wenner questioned whether we would want to add additional lines of coverage to the conversation with CIGNA. She indicated that there are risks of changing multiple lines but the benefit of administration and ease of employee access for all lines with one vendor might be worth it. Trustee Stevens indicated that she does see value in combining coverage and does want to move forward with the TPA conversation so we do not lose momentum and questioned if CIGNA has made any steps forward with their provider network. Chair Wenner pointed out that if we open up the scope to include other lines of coverage, a new RFP will need to take place. Ms. Chawes clarified that United Healthcare, CIGNA, Premera and Aetna would be able to respond to an all-encompassing RFP. Ms. Chawes and Mr. Robertson both voiced concern of the complexity of the trust and the potential complications of moving multiple lines at one time. Their suggestion was to move the TPA, which is the hardest line of coverage to change, and then move forward with shifting other lines in future years.

Chair Wenner pointed out that the reason for the suggestion of moving additional lines is also due to the administration issues that many of the Trustees have had with Symetra to this point. There have been timeliness issues in regards to claims and escalation to the management team has been the only way to see timely response in many instances.

Ms. Chawes requests more information for a project management standpoint; what are the next steps and at what point will a decision be made on moving forward? She suggests that it may be beneficial to bring CIGNA back to this group and meet with them more about communication, process and network disruption. After further discussion among the Trustees, Chair Wenner points out that there seems to be a consensus of at least bringing CIGNA back to the table and potentially involving the EAIC in order to have transparency as these decisions are being made.

11:25 - Break for Lunch

11:50 - Meeting Reconvened without Trustee Stevens as she had conflicting appointments for the afternoon session.

EIAC

Mr. Gray indicated that he has been approached by interested representatives with the question of when this committee will reconvene. Chair Wenner points out that February or March would be the timing of reestablishing this committee as we continue conversation with CIGNA early on in the year. She continued to mention Teledoc and Washington Paid Family and Medical Leave as some potential topics for this committee to review as well.

BPA TRAVEL & EDUCATION EXPENSES

Chair Wenner reported that although there has been discussion, a formal motion has not been made and approved in our prior meetings regarding how to manage and approve travel and education expenses for Ms. Frank's position as Benefits Program Administrator.

Motion to give Chair/Vice Chair authority to approve expenses up to current year budgeted amount for travel/training is made by Trustee Davis and seconded by Trustee Coppock. Motion approved unanimously.

Outcome/Future Action: Ms. Frank will establish a wish list for the year for review by Chair Wenner and Trustee Locke. Ms. Frank will continue to have a standing Friday morning meeting with Chair Wenner to

review workflow and potential upcoming expenses. BPA workflow review will continue to be a standing item on agendas for monthly meetings.

FINANCIAL RESERVE POLICY

Ms. Olson pointed out that the reference to prescription drug coverage was not continued throughout the document for the Financial Reserve Policy when approved on August 15, 2018. Prescription drug coverage should be referenced in the purpose statement of the program reserve account as well as in the target funding level of the contingency reserve account section of the policy. These changes are indicated in the redline version supplied in the meeting packet.

Motion to approve the financial reserve policy as presented was made by Trustee Davis and seconded by Trustee Locke. Motion passes unanimously.

SYMETRA SHORT TERM DISABILITY TEMPLATE

Chair Wenner recommended a sub committee to review the short term disability plan document template that has been supplied by Symetra. The subcommittee will consist of Trustee Davis, Trustee Hubbard, Diane Mosely from Grant and Ms. Frank.

Outcome/Future Action: This committee will meet to review and make edits to the plan document according to current policy for the short term disability program and present results at a future meeting.

PAID FAMILY & MEDICAL LEAVE (PFML)

Trustees had discussion regarding our current short term disability benefit compared to the State Plan. Alternate Trustee George pointed out that there is a voluntary plan guide available on the Employment Security Department website. Trustees continued in discussion surrounding the potential impact of moving forward with a voluntary plan, the requirements for application and potential impact of having to create a separate trust account to hold premiums. Ms. Chawes indicated concern with the level of administration needed in order to run a voluntary program and confirmed the general feeling of other Trustees that there is not enough data available from ESD to apply for a voluntary plan at this point in time. Ms. Frank shared that additional finalized rules are expected to be published on November 2nd which should provide more guidance.

MINIMUM PL USE REQUIREMENT/WA PAID SICK LEAVE

Chair Wenner tabled this topic as it was brought up as a concern by Trustee Stevens and she is no longer in attendance.

COMPYSCH TRAINING/UTILIZATION REVIEW

Ms. Chawes reported that none of the 2018 hours have been utilized at this point. There are 6 free hours annually and additional hours are billed at a rate of \$150/hour. There is also the possibility of increasing the number of hours provided in our contract from 6 to 10 for an additional fee of \$.04 PEPM. Trustees entered into conversation regarding the types of things that are available with this service and questioned the need for additional hours if none of the current available hours are being used. The problem that arises with the available 6 hours is that there is not an easy way to split them between the 7 member utilities and there is not a mechanism in place to track usage.

Outcome/Future Action: Ms. Frank will initiate a survey monkey questionnaire to identify potential topics and arrange for a webinar that would be recorded and available for use by all member utilities.

LEGAL SERVICES AGREEMENT

Ms. Frank reports that she has received basic proposal and rate information from three attorneys and is waiting to hear back from one additional agency. Once these are received she will provide a comparison grid for review by Trustees. It is becoming increasingly necessary to have an agreement for legal services to review contracts, agreements, processes and procedures for the UIP.

OTHER BUSINESS

- Ms. Frank requested a subcommittee be formed in order to review the incoming proposals for the accounting services RFP. Mr. Bergeson and Mr. Gillespie will join the committee with Ms. Frank. The current accounting services contract with CliftonLarsonAllen expires on December 31, 2018.
- Ms. Frank requested clarification from each Trustee as to whether their respective General manager wishes to continue to be included on the distribution list for UIP meetings.
 - **Outcome/Future Action:** Each Trustee will report back to Ms. Frank with their preference.
- Alternate Trustee George reported that Catapult will be providing biometric screenings in the Benton offices next week. There are still some available appointment times available if any Trustees are interested in experiencing their services.
 - **Outcome/Future Action:** Ms. George will email invitation to all Trustees.
- Next Quarterly meeting will be held on Wednesday, January 23rd from 10 a.m. until 3 p.m. at Douglas PUD.

Meeting adjourned at 1:05 p.m.

Approved by Trustees on December 13, 2018

X 

Melina Wenner, CWPU UIP Chair

/sjf

