Central Washington Public Utilities
UIP (Unified Insurance Program) Quarterly Trustee Meeting
Douglas PUD, 1500 Valley Mall Parkway, East Wenatchee WA 98802
Tuesday, July 24, 2018
MEETING MINUTES

Roll call
The meeting was called to order at 9:35 a.m. by Chair Wenner. The following individuals were in attendance:

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*Joined via conference line

**Alliant:** Kim Chawes and Schuyler Briscoe

**Others:** Brian Gray and Tim Barnett, IBEW Local No. 77

Meeting Minute Approvals
Trustees reviewed the quarterly minutes for the meetings held on:

- March 14, 2018 & March 15, 2018
- April 12, 2018
- May 10, 2018
- May 21, 2018
- May 31, 2018
- June 14, 2018

**Motion** to approve all minutes excluding those from June 14, 2018 contingent upon the inclusion of the actual wage and hour law regulations referenced under “Waiving Medical Benefits” on page two (2) of the minutes and was made by Trustee Hernandez and seconded by Vice Chair Hubbard. Motion passed unanimously.

Medical TPA Presentation(s)
In advance of the TPA presentations; Schuyler Briscoe and Kim Chawes from Alliant shared details of their experience with the finalists (Cigna, Premera, and United Health Care). Trustees presented multiple questions about transitioning to a new network, the level of disruption that could be felt by a transition, options to develop networks, employee commitment to current physicians and ability to transition into a new carrier’s network if Trustees decided to change administrators. Trustees expressed an interest in understanding whether or not the disruption reports shared prior to the meeting included a breakdown of the number of employees who visit a physician (i.e., 4 employees
used the doctor) or if they were reflecting each individual employee visit to the physician (i.e., the report reflects the accumulative number of visits to this doctor). Ms. Chawes indicated that Alliant could verify and provide this information to Trustees. Multiple Trustees expressed an interest in understanding if hospitals and clinics within their area were covered under the networks of each finalist. Ms. Chawes explained that in the event Trustees decide to transition to a new TPA the topic of expanding the network to include hospitals and clinics not currently included in their network to reduce disruption to our members would occur. Discussion ensued relative to the transition process and practical solutions to reduce disruption.

Chair Wenner placed emphasis on ensuring that when Trustees consider a change in TPA sufficient time is available to conduct communication campaigns, develop a strong change management plan and take whatever steps necessary to ensure employees are educated and understand the rationale behind transitioning to a new TPA. Mr. Briscoe indicated that a quote from Collective Health was still pending due to a delay in obtaining their managements authorization to submit.

**Outcome/Future Actions:** Alliant agreed to provide a disruption report to Trustees that identified the number of visits to each out of network physician by employee.

**Cigna Presentation:** Omid Moradshahi – Senior Account Manager; Brad Baker – Vice president of Sales and Service; Dr. John A. Sobeck, MD, MBA – Senior Medical Executive; Kendall Bans, MS – Director of Client and Customer Engagement; and Jonathan Lowe – Senior New Business Manager joined the meeting at 10:00 a.m. to present the details of their proposal to Trustees.

Cigna provided Trustees with the following overview of their services and programs:

- **Cigna Overview;** which included a detailed explanation of the Cigna experience, customer relationships, mission and strategy, drivers of healthcare costs and possible solutions to mitigate cost inflation.
- **Client Team & Reporting;** which included a detailed explanation of the proposed CWPU UIP account team, transition, implementation, administration, employer portal, spend analysis, health engagement strategies and their cyber security framework and approach.
- **Customer Experience & Well-Being Solutions;** which included a detailed explanation of how Cigna utilizes health assessments and tools (website, tablet technology, mobile App’s, live phone services), analytics, claims and biometrics to connect with members and engage them in coaching, care coordination and management.
- **Network Initiatives & Care Management;** which included a detailed explanation of their model to improve value to their clients and members through collaborative care.
- **Cigna Pharmacy Management;** which included a detailed explanation of their book of business, PBM, specialty pharmacy and solutions to control spend (i.e., rebate program).

Cigna attendees, following a brief question and answer period, concluded their presentation and at 11:47 a.m. departed the meeting.

*Meeting Lunch Break commenced at 11:48 a.m.*
First Choice Health Presentation: Curtis Taylor - Chief Marketing Officer; Mike Burns, VP Sales; Sara Kasper, Vice President, Account Management & Healthcare Analytics; and John Robinson MD, Chief Medical Office with First Choice Health joined the meeting at 12:04 p.m. to present the details of their proposal to Trustees.

First Choice Health provided Trustees the following overview of their services and programs:

- First Choice Health Overview; which included details about their structure, health plan administration and Employee Assistance Program, administrative systems, network footprint and access, well-being solutions and business office locations.

- Account Management and Implementation; which included a detailed explanation of the proposed CWPU UIP account team, implementation strategy and resources, and eligibility management.

- Health Plan Services; which included a detailed overview of their operational structure, customer care center, claim funding process, and a technical overview of their integration, flexibility with plan design, and source code.

- Employer Member Tools; which included a detailed explanation of their secure member and client portals and online cost and quality tool.

- Medical Management; which included an overview of their health reporting population health solutions, medical management services, predictive modeling tools, evidence based measures to assess gaps in care and details about their book of business.

- Pharmacy; which included a detailed explanation of their MedImpact Healthcare System, Pharmacy Benefit Management programs implementation and value-based approach.

- Value Proposition; which included a detailed overview of how First Choice Health can partner with the CWPU UIP with internal controls; including but not limited to advanced analytics, employer guidance, clinical programs, consumer navigation, innovative benefit & network designs, performance guarantees and more to advance the future success of the UIP.

First Choice provided Trustees with a detail accounting of their Network, delivered report samples, and implementation outline. Following a brief question and answer period, First Choice Health concluded their presentation and at 1:45 p.m. departed the meeting.

Premera Blue Cross Presentation: Carmen Winters – Strategic Account Manager; Bill Akers – Senior Vice President, Washington Sales; Trevor Moore – Sales Director, EWA Market; Jennifer Polzin, PharmD, BCACP, CHhQ – Manager Pharmacy Consulting; Mia Wise – Medical Director joined the meeting at 2:00 p.m. to present the details of their proposal to Trustees.

Premera Blue Cross, the CWPU UIP current TPA for medical and vision benefits provided Trustees the following overview of their services and programs:

- Experience and Partnership; which included a detailed overview of their purpose and, values, their value-based contracts and large network, low cost of care and creative ideas to maximize value for CWPU, their experienced and comprehensive team, ability to bring comprehensive
data analytics, ad hoc reports and online reporting to the UIP, and dedication to service large multi-state clients.

- Provider Network; which included a detailed analysis and comparison of their network compared to their closest competitor and the discount savings that can be obtained because of their large network.

- Cost of Care; which included a detailed summary of Premera’s approach to supporting high-value care through decision support, whole person health management, collaboration with providers, value-based contracting and encouraging choice of high-value care, benefit design, medical and utilization management.

- Pharmacy Services; which included a detailed summary of Premera’s Express Scripts (ESI) Partnership, the challenges of carve-out pharmacy benefits, why benefits integration matters, and the value of integrated Rx benefits.

- Customer Experience; Premera shared how strategic innovation has made a difference for their clients, how customer input resulted in improvements to their mobile app, and how their website experience is comprehensive and gives members access to transparency tools, benefit and claims information, healthcare spending reports, pharmacy services and wellness tools.

- Administration; Premera shared call center, account management and claims performance results with Trustees; as well as information about their culture of continuous process improvements.

Following a brief question and answer period, Premera concluded their presentation and at 3:35 p.m. departed the meeting.

**Trustee Discussion following Presentations:** Following Premera’s departure; Trustees entered into discussion. Topics covered included disruption if medical and Rx benefits were separated; administrative cost alignment with savings; cost of quality and economy of scale; Rx rebate trends and transparency in rebate programs.

**Outcome/Future Actions:** Trustees agreed to continue the discussion at the start of the second day of the meeting, July 25, 2018.

Meeting adjourned for the day at 4:00 p.m.
Central Washington Public Utilities
UIP (Unified Insurance Program) Quarterly Trustee Meeting
Douglas PUD, 1500 Valley Mall Parkway, East Wenatchee WA 98802
Wednesday, July 25, 2018
MEETING MINUTES

Roll call
The meeting was called to order at 8:01 a.m. by Chair Wenner. The following individuals were in attendance:

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*Joined via conference line at 9:00 a.m.

Alliant: Kim Chawes and Schuyler Briscoe

Others: Connie Olson - Clifton Larson Allen and Brian Gray - IBEW Local No. 77

Medical TPA Proposals
Trustees entered into a lengthy discussion about each of the prospective TPA’s and determined that Cigna and Premera were better options for the Trust, with Cigna having an advantage over Premera due to their technology and communication tools, inclusive member services, transparent Rx Rebate Program, performance guarantee, and approach to consumerism and wellness. Ms. Chawes indicated that with Cigna certain wellness components are included in the administrative fee and that she can request a comprehensive list from Cigna on their wellness buy-up options. Trustees shared concerns with gaps in Cigna’s provider network, the potential disruption to more rural members, and Cigna’s ability to contract with more providers in those areas in advance of a transition.

Other discussion topics included:

- The relationship with Premera, the differences in business processes (i.e., preauthorization) and fees (i.e., contingency) between the two finalists and the importance of understanding them.

- The option to expand services with Cigna (i.e., dental, life and disability) and potential reduction in cost by bundling services. Mr. Briscoe shared that there are economies of scale and possible credit offerings when bundling plans under a single carrier. Alternately, he indicated that it might be difficult to unbundle the plans should the UIP decide to change carriers.

- Doing an in-depth review of the Pharmacy Benefits Program to determine if it makes sense to carve it out. Mr. Briscoe indicated this is an option for the Trust and carving it out will have a financial impact. He further shared there are creative rights and pros and cons to carving out
pharmacy and Trustees will need to find a balance between membership and cost in advance of making a decision.

- Differences in how Premera has disclosed and Cigna will disclose RX rebates and discounts to the UIP were discussed at length.

- Cigna’s ability to protect member information and their protocol for handling breaches (i.e., do they offer credit protection or use other means to protect the misuse of stolen information). Mr. Briscoe agreed to obtain the answer to this question.

Ms. Chawes and Mr. Briscoe shared from their perspective the high-tech platform, wellness tools and strategies offered by Cigna compared to Premera, who is a safe business partner but slower to change, makes them a good fit and more capable of being able to achieve the goals of the UIP.

**Outcome/Future Actions:** Trustees agreed that Cigna would be a better fit for the UIP and gave Alliant authorization to notify First Choice Health and Premera of their decision. In addition, there was agreement among Trustees that in order to make a successful transition it would be in the best interest of the Trust and its members to not make a change prior to the January 1, 2019 renewal and defer to 2020. Trustees asked Mr. Briscoe to provide notice to Premera of the UIP plan to transition at the conclusion of the 2019 calendar year and obtain their agreement to extend the agreement with Premera for one (1) additional year at the proposed rate structure for the 2019 renewal. A list of follow-up questions for Premera and Cigna was developed by Trustees. Alliant agreed to share the Trustees decision with the finalist and obtain answers to the Trustees questions.

**Brokers Report**

- **2019 Renewal:** Mr. Briscoe shared the initial renewal position, which is still being negotiated, indicates a 9.3% overall increase in gross cost. Other renewal topics reviewed and explained to Trustees included:
  
  - A comparison of total administrative fees by TPA RFP results, which reflected a 23% reduction from current in monthly administrative fees with Premera and reductions that were between 10 and 13% lower with the other TPA’s that responded to the RFP.
  
  - Comparison of Stop Loss and the estimated factor of change for TPA RFP finalists compared to Premera; which indicated an increase of between 10 and 21% that Alliant indicated could be negotiated to a lower amount.
  
  - Review of the initial renewal position for Stop Loss with Symetra Financial which indicated a percent increase of 8.59%. Mr. Briscoe reminded Trustees that the UIP is participating in a dividend program and in event the UIP out performs Symetra’s book of business the UIP receives a dividend. Ms. Chawes indicated that the UIP was refunded $33,000 under this program in 2017 and should expect to see another dividend in August 2018.
  
  - Review of health administration and Stop Loss Renewal history of what has been or will be paid between 2015 and 2019. Ms. Chawes commented that the average trend is 15%; however with the UIP’s history the 8.59% stop loss increase is questionable in her opinion.
- Review of expected claims which Ms. Chawes explained is a first snap shot of how claims should be adjusted based on an 8.3% trend increase compared to last year versus this year’s claims. Mr. Briscoe explained that the trend used is a national figure vetted by Alliant that is very credible and less susceptible to fluctuation. Mr. Briscoe acknowledged that the UIP trend is approximately 5% and lower than national trend; however, as a group the UIP is more susceptible to fluctuation and within their standard guidance and for security purposes they advise national trend be used to determine overall rates. He further explained applied trend and factoring in additional months of medical trend. Ms. Chawes shared with Trustees that the 2019 overall projected increase with Premera’s negotiated renewal is 10.4% and that their 2018 proposal to Trustees was to consider lowering the 2018 original renewal projection of 9.5% to 6.0% and doing something similar for the 2019 renewal is an option. Trustees discussed the potential risk associated with comorbidities identified in the Deerwalk report presented to them earlier in the year and the impact of buying down the rates should there be an increase in claims in 2019.

- Overview of the negotiated renewal position compared to the current, the original renewal and negotiated renewal costs for all lines of coverage. Ms. Chawes indicated that this is not the final position and will be adjusted following further negotiations with Symetra. Trustees had a brief discussion about Section 125 Administration.

- Review of initial renewal position for dental, which indicated the cost is relatively flat, there have been no administrative changes and there was a slight projected decrease in total annual costs.

- Review of initial renewal position for COBRA, which indicated an increase in administration from $22.00 to $35.00 per qualifying event notice. Ms. Chawes indicated this was the first increase applied by Rehn to the notice in ten (10) years.

- Review of other lines of coverage including life and disability which is under a rate guarantee with Symetra until January 1, 2020; FSA which is not increasing in 2019; and Health Advocate which renewed with no change in rates on June 1, 2018. Ms. Chawes indicated that Health Advocate will travel to benefit fairs and open enrollment meetings for a fee of $300 per day plus an hourly rate for travel.

- Review and discussion about renewal considerations for medical and RX which included discussion about Teladoc, which Trustees decided would not be included into the Plan design for the 2019 renewal. Ms. Chawes shared that the Summary of Contract changes is pending and estimated to arrive in September 2018.

- Review and discussion about renewal considerations for dental which included discussion about Class 1 Services not applying to the annual maximum. Ms. Chawes indicated that a request has been submitted to Delta Dental for the percentage of employees who have hit the maximum. Also discussed was the Healthy Start Benefit for Kids, which Ms. Chawes indicated would result in a 3% increase.

**Outcome/Future Actions:** Trustees decided to defer a decision on these programs until additional information about cost could be obtained.
Review and discussion about Delta Dentals Maximum Wellness Program, which is designed to encourage members to receive regular preventative care. Trustees shared a common interest in this program as it aligns with CWPU Wellness Program goal to get all members in for their preventative oral exams and discussed the value of rewarding members for good behavior as a way to increase engagement and utilization.

**Outcome/Future Actions:** Trustees decided pending discussions with TPA’s that it would be in the best interest of the Trust to defer a decision on this program to the 2020 renewal.

- **Experience Reports:** Mr. Briscoe indicated that the UIP Current Rolling and Prior Rolling 12 total cost to budget is within a tenth percent of each other. Trustees discussed the variance in claims experience between the PPO and CDHP plans and impact of stop loss claims on the PPO Plan. Trustees also discussed risk associated with migration to the CDHP and how between the two plan options the PPO cost is running close to 6% over budget and the CDHP Plan cost is running slightly under 5% of budget. Trustees had a brief discussion about assumptions made during the actuarial review and the funding process.

**Treasurer’s Report – Trust Income & Disbursements (Q3)**
Connie Olson, with Clifton Larson Allen reported on the Trust Financials for the period beginning April 1, 2018 through June 30, 2018. Ms. Olson informed Trustees that the Income Statement reflected a Claims and Admin Fee Refund totaling $17,933.20 that was received in April from Premera for a fourth quarter 2017 Rx Rebate. Ms. Olson further reported that the Associate of Government Risk Pools “AGRIP” expense had been added to the Other Operating Expenses report; and the IBNR reserve balance reflects a slight deficiency and the Contingency Reserve is in good standing.

Vice Chair Hubbard asked for clarification on the timing of Premera claims reimbursements. Ms. Olson indicated Premera pulls claims on a weekly basis by PUD and automatically deducts the amount of the claims from the Contingency bank account. The weekly claims invoices are received; printed and reconciled at the end of the month to the Group Experience Report received from Premera. Ms. Olson further explained that these invoice payments are reflected on the Statement of Net Position under 202 – Accrued Claims and every month the Trust will have claims for the last week that will be paid in the following week.

**Motion** was made by Trustee Pfitzer and seconded by Trustee Kuehne to approve the Financial Report for the Trust for the period April 1, 2018 through June 3, 2018. Motion passed unanimously.

**2017 Financial Audit**
Chair Wenner reported that the 2017 Financial Audit exit conference has been scheduled for August 13, 2018. Ms. Olson provided Trustees with an accounting of the audit process and duration. Ms. Olson indicated that nothing material was found, the auditors will likely comment on a few items, and that they did ask for changes in the solvency footnotes. Overall, Ms. Olson indicated that the audit went well and is almost completed. Treasurer Gillespie concurred with Ms. Olson.

**Outcome/Future Actions:** Chair Wenner thanked Ms. Olson for her work during the audit period.
Financial Reserve Policy
Trustee Davis provided an historical overview of the conservative steps taken by the sub-committee to amend the Financial Reserve Policy to align with the WAC and explained that requests received to amend policy wording had been considered and incorporated into the document distributed at the meeting for review. There was a brief discussion among Trustees regarding the amendments made to the Policy and options to fund the Program Reserve Account with investments purchased or transferred from the Contingency Reserves and authority to make changes and fund the Contingency Reserves through premiums or other actions approved by UIP Trustees.

**Outcome/Future Actions:** Trustees agreed that wording needed to be included allowing for the purchase of investments and changes in premiums to fund the Program Reserve Account through Contingency Reserves. Trustees agreed that with this change in wording they can approve the Policy. The Policy approval will be added to the next Special Meeting Agenda. Ms. Olson indicated that she would like to incorporate the approved wording within the policy into the financial statements.

2018 Claims Audit Proposal - Recommendation
Vice Chair Hubbard reported that the Claims Audit sub-committee had reviewed RFP responses from Moss Adams, BMI Audit Services, and Claims Technologies Incorporated (CTI). Vice Chair Hubbard touched on the highlights of the committee review and the methodology used to compare each respondent. She indicated that the Committee had selected CTI and Moss Adams as finalist and through further screening process acknowledged that while the UIP past experience with Moss Adams had been positive, CTI brings a different product to the table that would allow through their industry standard audit an operational review, benefit plan analysis, a larger statistically valid random sample size, reinsurance review, eligibility verification and more a very comprehensive audit of the medical, vision and pharmacy claims for a very reasonable fee under what the UIP has paid in the past. She explained further that CTI offers an optional upgrade to electronically screen 100% of claims processed during the audit period and that the cost for the upgrade is guaranteed and refundable to the UIP if the savings obtained from the additional audit does not equal the amount paid.

**Outcome/Future Actions:** Vice Chair Hubbard shared that the committee is recommending the Trust contract with CTI and purchase the optional upgrade to electronically screen 100% of claims processed during the audit period.

**Motion** to move forward with a contract with CTI and purchase the optional upgrade to electronically screen 100% of claims processed during the audit period was made by Alternate Trustee Pfizer and seconded by Trustee Davis. Motion passed unanimously.

Medical Certification Benefit (CDL Physicals)
Chair Wenner initiated and called for comments from Trustees relative to the payment of medical certifications for CDL drivers through the UIP Health Plan. Several Trustees expressed an interest in establishing a consistent practice throughout CWPU on how the certifications are paid and concurrently indicated that their utility views them (the certifications) as a business expense that should not be ran through the Plan. Trustees entered into discussion about the terms of the Collective Bargaining Agreement and rationale for running certification claims, which are paid at a 100%, through the Plan.
Motion that medical certification required for CDL drivers as a condition of employment be paid by the District as a business expense was made by Trustee Davis and seconded by Alternate Trustee Pfitzer. Motion passed with Grant abstaining.

Meeting Lunch Break commenced at 11:45 a.m. and concluded at 12:07 a.m.

UIP Strategic Plan, Actions and Goals
Chair Wenner distributed the draft outline of the UIP Strategic Plan and shared a high level overview Plans vision, mission and value statements. Chair Wenner commented on the valuable working relationship and trust within this group and the group’s ability to make decisions that benefit the UIP and members.

Chair Wenner shared that she feels this is a good document that should be maintained and updated on a regular basis in the future. She indicated that she would like to give the Plan to the Benefits Program Administrator (BPA) as an outline of what the UIP is about, where we are going and the opportunities we have. Vice Chair Hubbard indicated that she thinks sharing it with the BPA is a good idea and suggested that the plan be amended to include action items and goals; additionally she suggested that the Plan could align with the UIP calendar and used to identify unique needs of the members that attract them to our organizations. Trustees discussed how the inclusion of goals within this plan could be the tool used to identify performance objectives for the BPA.

Outcome/Action Items: Trustees were in agreement that having a formal and adopted Strategic Plan that included goals and objectives that align with the needs and expectations of the General Managers would be valuable. Trustees will continue discussion at a future meeting relative to the adoption of the Plan for the UIP.

Meeting adjourned for the day at 12:30 PM

Approved by Trustees on October 11, 2018

Melina Wenner, CWPU UIP Chair

/jag