



Minutes of the Special Meeting of CWPU Unified Insurance Program UIP February 14, 2019

The special meeting of the CWPU UIP was held via conference call on February 14, 2019, at 9:00 a.m., pursuant to proper notice thereof.

The meeting was called to order by Chair Wenner at 9:00 a.m. The following individuals were in attendance:

<u>Trustees</u>	<u>Alternate Trustees</u>	<u>Administrators</u>	<u>Public Utility District</u>
Melina Wenner	Jody George		Benton PUD
Barbara Davis			Douglas PUD
Marilee Kuehne			Ferry PUD
Carrie Locke	Sylvia Hubbard		Franklin PUD
Annette Hernandez	Darla Stevens		Grant PUD
Don Coppock		Dana Kincaid	Okanogan PUD
Lloyd Clark		Shanna Rice	Pend Oreille PUD

Others in attendance:

UIP Treasurer: Rob Gillespie
Alliant: Kim Chawes, Schuyler Briscoe, Christian Rothrauff, Kerri Coyle
Other: Juan Esparza, Douglas PUD

Approval of Meeting Minutes

Trustees reviewed the amended meeting minutes from the December 13, 2018 meeting and the meeting minutes from the January 10, 2019 meeting.

Motion was made by Trustee Davis and seconded by Trustee Coppock to approve the amended minutes from the meeting held on December 13, 2018 and minutes from the meeting held on January 10, 2019. Motion passed unanimously.

36-Month COBRA Extension

Mr. Rothrauff has conducted an analysis on the cost impact if the Trustees elected to extend COBRA coverage for retirees to 36 months. He shared that he compared claims incurred by members in the age group of 55 to 65 and determined that without normalizing for large claims, this age group incurs claims 49% higher than the overall claims. When removing large claims, the cost impact of this age group increases to 64% higher than overall claims. He estimates that out of 552 members (employees and spouses) between the ages of 55 and 65, 140 members would pay for extended COBRA coverage, if offered. And while 140 members only equal 4% of the total population, he estimates that these members would incur 15-20% of overall claims spent. And although the members would be paying a higher premium under COBRA, the Trust would cover 75% of the cost. In addition, extending COBRA coverage likely will result in higher stop loss insurance premiums. He added that if he had more

clarification of what the program would entail, such as tying enrollment to years of service etc., the cost impact of extending COBRA coverage may be less.

Trustee Davis raised the question of how we can help individuals find medical insurance beyond active employment. Mr. Briscoe offered resources through Alliant. Trustee Stevens shared that Grant PUD directs employees to Health Advocate to find insurance outside our plan and added that Grant PUD continued offering subsidy pay to their retirees prior to age 65, provided they have been employed at Grant PUD for at least 15 years. Vice Chair Hubbard reminded the Trustees that the employer paid HRA VEBA contribution was originally put in place instead of offering retiree insurance, allowing employees to build a tax-free investment account to be used for post-retirement insurance premiums and out-of-pocket expenses. Trustee Wenner shared that Benton PUD is offering a HRA VEBA premium only plan for their higher level positions. Trustee Davis shared that Douglas PUD's employees voted to cash-out a percent of their unused personal leave into their HRA VEBA account at the time of retirement. The question arose if cashing out personal leave into the employee's HRA VEBA account is considered income under the Washington Paid Family and Medical Leave program.

Outcome/Future Actions:

- Mr. Rothrauff will share his COBRA extension study with the Trustees.
- Trustee Stevens will share Grant PUD's subsidy plan with the Trustees.
- Vice Chair Hubbard will seek clarification of cashing out personal leave into an HRA VEBA account is considered wages under the Washington Paid Family and Medical Leave program.

TPA RFP Progress Report

Following the January 23, 2019 UIP meeting, Alliant reached out to Cigna regarding several follow-up items. As a result, the Trustees were provided with network disruption reports by PUD, a list of references, and sample Summary of Benefits documents. The Trustees reviewed the documents and discussion ensued about disruption of services, cost impact, service level comparisons, performance guarantees, RX carve out, and claims repricing.

Outcome/Future Actions:

- Alliant will provide clarifications to the paid column on the disruption report.
- Alliant will provide the Cigna plan document review to the Trustees.
- Vice Chair Hubbard will schedule a Special UIP meeting at Douglas PUD on April 11, 2019.

Administrative Duties

Chair Wenner thanked Vice Chair Hubbard and Alternate Trustee George for sharing administrative duties. Vice Chair Hubbard shared that her tasks were mainly focused on the agenda items for today's meeting. She also was provided access to update the CWPU UIP webpage. Alternate Trustee George shared that she is working on the Medicare Part D notification and that she and Vice Chair Hubbard will review the Premera and Delta Dental plan documents as soon as Alliant has completed their review.

Trustee Wenner welcomed Mr. Esparza who is interested in filling the position of UIP Auditor. Mr. Esparza shared his work history with the Trustees and expressed his interest in serving as the UIP Auditor. Trustee Coppock stated that he has worked with Mr. Esparza in the past and that he is an excellent candidate for the role of UIP Auditor.

Outcome/Future Actions:

- Vice Chair Hubbard will draft a resolution, appointing Mr. Esparza as the UIP Auditor.

Administrative Services Contract with Premera

Alliant and Vice Chair Hubbard reviewed the Premera administrative services contract, which was provided to the Trustees in advance of this meeting.

Motion was made by Trustee Locke and seconded by Trustee Coppock to authorize the UIP Chair to enter into the administrative services contract with Premera, effective January 1 through December 31, 2019. Motion passed unanimously.

Short Term Disability Plan Document

The revised short term disability program description was provided to the Trustees in advance of the meeting.

Motion was made by Trustee Davis and seconded by Trustee Locke to adopt the short term disability program description as presented with the expectation that the description is a living document, subject to review by an ERISA attorney. Motion passed unanimously.

Washington Paid Family and Medical Leave (PFML)

Vice Chair Hubbard shared that she will use the short term disability program description to compare the benefits under our short term disability program with the Washington PFML program, focusing on the medical benefit part of the program. Further, she will use the short term disability program description to determine what changes are required to qualify as a voluntary plan under the Washington PFML program. She shared that the state is in the rulemaking process and will attempt to attend a stakeholder meeting on March 18, 2019. In addition, she reached out to Symetra to determine if they have made changes to their fully insured short term disability program to meet the requirements under the Washington PFML program and was advised that they are waiting for guidance from the state and final rules.

Outcome/Future Actions:

- Vice Chair Hubbard will draft an analysis, comparing our short term disability program with the Washington PFML program and identify changes required to qualify as a voluntary plan under the Washington PFML program.

Interlocal Agreement

Alternate Trustee George reached out to Shannon Stuber, DES-Risk Management and verified that the Interlocal Agreement will need to be reviewed by her prior to adoption of the agreement by the PUD Commissioners. Discussion ensued if the agreement should be reviewed by the General Managers and it was agreed to contact the CWPU Chair with the request to add the revised Interlocal Agreement to the CWPU meeting agenda.

Outcome/Future Actions:

- Trustee Coppock will reach out to the CWPU Chair with the request to add the revised Interlocal Agreement to the agenda.

Legal Services Proposal

Chair Wenner provided a comparison of two attorneys who are reputable and have extensive experience in health and welfare benefits. Discussion ensued about cost, number of hours that the attorneys would be spending on UIP business, and if the cost of an attorney would be considered a Trust expense.

Outcome/Future Actions:

- Trustee Coppock will reach out to the CWPU Chair with the request to discuss this topic at the CWPU meeting.

Claims Audit Update

Vice Chair Hubbard provided an update on the claims audit. CTI's technical lead conducted the onsite part of the audit at Premera's offices the week of January 28, 2019. He will provide a draft report for Premera's review and response by February 22, 2019. Preliminary findings cite three random sample errors and additional observations. The final report will be provided to the Trustees on March 14, 2019.

The meeting was adjourned at 10:50 am.

Approved by Trustees on March 14, 2019

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Melina Conover, CWPU UIP Chair