



**Minutes of the Regular Meeting of
CWPU Unified Insurance Program (UIP)
April 24, 2019**

The regular meeting of the CWPU UIP was held at Franklin PUD, 1411 W. Clark, Pasco, WA 99301 on April 24, 2019 at 10:00 a.m., pursuant to proper notice thereof.

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

<u>Trustees</u>	<u>Alternate Trustees</u>	<u>Administrators</u>	<u>Public Utility District</u>
Melina Conover	Jody George		Benton PUD
Barbara Davis	Gary Ivory		Douglas PUD
Marilee Kuehne			Ferry PUD
Carrie Locke			Franklin PUD
Annette Hernandez	Darla Stevens		Grant PUD
Don Coppock	Katie Pfitzer		Okanogan PUD

Others in attendance:

Treasurer:	Rob Gillespie (via phone)
CWPU UIP Benefits Program Administrator:	Sylvia Hubbard
Alliant:	Keith Robertson, Kim Chawes, Kerri Coyle

In attendance for part of the meeting:

Alliant:	Christian Rothrauff, Jennifer Spence (via phone)
CliftonLarsonAllen:	Connie Olson, Julie Grant
Symetra:	Kristina Dorman
IBEW:	Tim Barnett, Brian Gray

Approval of Meeting Minutes

Trustees reviewed the meeting minutes from the March 14, 2019 and noted the following change: adding Alternate Trustee Jody George to the list of attendees.

Motion was made by Trustee Davis and seconded by Trustee Coppock to approve the minutes from the meeting held on March 14, 2019 as amended. Motion passed unanimously.

Election of CWPU UIP Chair

Chair Conover affirmed her commitment to serve as CWPU UIP Chair for an additional year. Vice Chair Hubbard currently serves in the role of CWPU UIP Benefits Program Administrator and has stepped down from her role as Vice Chair. Chair Conover solicited interest for the Vice Chair position.

Motion was made by Trustee Stevens and seconded by Trustee Davis to name Alternate Trustee Pfitzer as Vice Chair. Motion passed unanimously.

Treasurers Report

Ms. Olson presented the Trustees with a revised financial report for the fourth quarter in 2018. She explained that a stop loss payment was received after the Trustees adopted the financial report in January.

Ms. Olson reviewed the financial report for the period of January 1, 2019 through March 31, 2019 and noted that an installment payment was made to Claims Technology Inc., which included travel expenses incurred by the auditor who traveled to Premera for the onsite claims audit. Ms. Olson pointed out that the program and contingency reserves were aligned per the amended financial reserve policy and are exceeding the target funding levels by \$2.1 million.

Motion was made by Trustee Stevens and seconded by Trustee Locke to approve the revised financial report for the period October 1, 2018 through December 31, 2018 and the financial report for the period of January 1, 2019 through March 31, 2019. Motion passed unanimously.

Treasurer Gillespie shared that he was notified by Wells Fargo that the institutional retirement and trust business has been sold to the Principle Financial Group, but was assured that there will be no changes affecting the Trust. Treasurer Gillespie pointed out that there may be some issues to work through regarding the transfer of funds to the Wells Fargo checking account.

Treasurer Gillespie left the meeting.

AGRIP Designated Representative

Chair Conover shared that following the Trustee's authorization, the membership with AGRIP was renewed for an additional year and proposed to appoint the Benefits Program Administrator as designated representative for the CWPU UIP.

Motion was made by Trustee Davis and seconded by Trustee Stevens to name the Benefits Program Administrator as designated representative for the CWPU UIP. Motion passed unanimously.

HRA VEBA Trustee Nomination

Chair Conover shared that the HRA VEBA Board is accepting nominations from the special purpose districts. Discussion ensued about time commitment and travel expenses associated with serving on the HRA VEBA Board. Chair Conover explained that the HRA VEBA Board meets three times per year in person and occasionally via conference call. All travel related expenses are paid by HRA VEBA.

Motion was made by Trustee Locke and seconded by Trustee Coppock to nominate the Benefits Program Administrator to serve on the HRA VEBA Board. Motion passed unanimously.

Benefits Program Administrator Update

CWPU Manager Meeting – March 15, 2019:

Ms. Hubbard attended the CWPU Manager meeting during on March 15, 2019 and provided the managers with a list of 2018 UIP accomplishments and 2019-2020 UIP initiatives that could be used as a starting point for strategic planning in July. During the meeting, the CWPU managers identified

comparable utilities and asked to benchmark the CWPU journeyman wage and benefits against the comparable utilities.

CWPU UIP Interlocal Agreement:

Ms. Hubbard provided Shannon Stuber, Department of Enterprise Services (DES) with the revised CWPU UIP Interlocal Agreement. DES did not have any objections with the proposed changes. Ms. Hubbard will provide the CWPU managers with a draft resolution to take to their respective Commission for adoption of the agreement.

Delta Dental Action Report:

Ms. Smith emailed the Delta Dental action report to the Trustees and Ms. Hubbard shared that the report will be reviewed with the Trustees in July.

Claims Audit:

Following our last meeting, Ms. Hayashi updated the executive summary to eliminate reference to findings as pointed out by Auditor Esparza during the last meeting. A call with CTI, Premera, Alliant and Ms. Hubbard is scheduled for April 29, 2019 to review the audit report. The audit report will remain in draft form until the Trustees agree to finalize the documents.

Summary Plan Documents:

Ms. Hubbard shared that the Premera Summary Plan Documents should have been received by the utilities and that the Delta Dental Summary Plan Documents have been ordered.

Ms. Hubbard explained that in the interest of time, the Open Public Meeting Act training was moved to the July meeting.

Symetra – Claims Experience Review

The Trustees welcomed Ms. Dorman, Regional Account Manager for Symetra to the meeting. Ms. Dorman reviewed the short term disability, long term disability, and life insurance claims experience.

- Short term disability claims:
Starting in January 2017 through February 2019, Symetra processed 108 claims for the CWPU utilities (excluding Grant PUD), of which 99 claims have been closed. Only one claim was denied. The group has seen an increase for short term disability claims for employees age 60 and older, which is outside the norm. 43% of the short term disability claims have a musculoskeletal diagnosis which is higher than the norm of 30% of all claims.
- Long term disability claims:
The group experienced seven claims for the time period of January 1, 2017 through July 31, 2018. The total premium collected versus total claims incurred reflect a loss ratio of 158.9%. Ms. Dorman explained that the disabled life reserve balance of \$963,704 reflects estimated future benefits of approved long term disability claims based on diagnosis. She shared that reserves are reviewed annually at renewal and given that the disabled life reserve balance is higher than the norm, a rate adjustment is likely for 2020. Discussion ensued about the calculation of the disabled life reserve balance.
- Life insurance claims:
Between January 1, 2017 and March 31, 2019, Symetra has paid out two life insurance claims. The life insurance program is experiencing an 84.39% loss ratio, which is in line with the norm.

Ms. Dorman explained that the premium waiver reserve balance of \$54,829 represents cost associated with participants who have been approved for a waiver of premiums due to disability.

Discussion ensued about the calculation of life insurance coverage, which is based on the income in effect on the most recent date immediately prior to the last policy anniversary date. The Trustees expressed an interest to amend the contract to calculate the life insurance benefit based on income in effect just prior to the date of loss.

- **Washington Paid Family and Medical Leave (WA PFML):**
Ms. Dorman shared how Symetra could partner with the CWPU utilities when managing the WA PFML. Symetra offers an absence management solution, which can administer protected leave under federal and state laws. Symetra could manage the WA PFML, provided that the CWPU utilities are approved for a voluntary plan. While Symetra is able to assist with eligibility tracking, Symetra will not be able to make payments or report to the state. Ms. Dorman shared that their fully insured plans do not currently meet the requirements under the WA PFML, but anticipates that Symetra will offer a complete solution once the State has finalized the rules.

Trustee Davis asked for Symetra's engagement with the employee's medical provider to explore light duty return. Ms. Dorman explained that Symetra utilizes clinical resources, such as nurse consultants and rehabilitation specialists to help employees get back to work. The Trustees are interested in partnering with Symetra to accommodate light duty return, when possible.

- **Value added programs:**
Ms. Dorman highlighted the value added programs offered through ComPsych. Discussion ensued about training hours available to the CWPU utilities and discussed a shared interest of providing an orientation for new supervisors of the EAP program.

Outcome/Future Action:

- Ms. Dorman will provide a number of claims that involved vocational rehab.
- Ms. Hubbard will explore the option of offering EAP training for new supervisors.

Ms. Dorman left the meeting. Mr. Rothrauff and Ms. Spence joined the meeting.

Broker Report

Mr. Rothrauff reviewed the results of the IDAP analysis and identified the top four chronic conditions as musculoskeletal, hyperlipidemia, hypertension, and depression. Musculoskeletal conditions have moved in the top four chronic conditions in 2018. Mr. Rothrauff pointed out that opportunity exists to increase preventive care adherence. He added that with the low employee turnover, wellness improvements can positively impact the overall risk of the population.

Discussion ensued about the lack of access to primary care and lack of a coordinated prescription program. Mr. Robertson shared that employer sponsored care is gaining momentum and statistical validation.

Mr. Rothrauff reviewed the group demographics, medical and ER utilization. The average number of employees is down while the average age is up from 47.8 to 49.1. 20.2% of the population did not incur

any cost in 2018 which indicates that 20.2% of the population is not receiving preventive care. ER visits increased as did the allowed cost per visit, while urgent care visits decreased. Mr. Rothrauff recommends communicating the importance of preventive care as well as the financial benefit of receiving care at urgent care facilities versus the emergency room, when possible. Ms. Chawes offered to provide a guide that lists the level of care and associated costs. Mr. Rothrauff reviewed high cost claimants, who drive the cost of the plan and their associated risk scores.

Ms. Spence reviewed the clinical guideline adherence measure and highlighted gaps in filling prescribed statins and glucose test strips. She questioned if there are any barriers that prevent employees from filling their prescriptions. The clinical guideline adherence measurers may be slightly skewed as the onsite biometric screenings are not included in the adherence numbers. Ms. Spence highlighted that lower back pain, depression and asthma are higher than the Truven prevalence.

Ms. Spence reviewed preventive screening adherence and suggested to promote preventive care. Discussion ensued about the low number of preventive care adherence when a preventive exam is a required component of the wellness program. To address musculoskeletal issues, she suggested areas of prevention and programmatic support, such as centers of excellence. Studies show that 65% of people who are plagued with depression, also suffer from chronic musculoskeletal pain and explained that without action chronic conditions will add an additional \$1.4 million in claims cost in the next five years.

To address chronic conditions, Ms. Spence suggested building a plan from the bottom up, utilizing all communication tools, encouraging healthy behaviors, such as healthy food, physical activity, stress management and sleep. She suggested partnering with wellness vendors, such as Krowdfit, Livongo or Omada for chronic disease management and Naturally Slim for weight management. Utilizing Catapult for biometric screenings, offering telehealth or paid time off to allow employees to get their preventive exam could be additional strategies. Ms. Spence suggested to focus on three areas/opportunities and build a strategic plan around them.

Ms. Spence left the meeting. Tim Barnett and Brian Gray, IBEW joined the meeting.

Washington Paid Family and Medical Leave (WA PFML)

Ms. Hubbard provided the Trustees with an analysis of the medical leave benefit component of the WA PFML compared to the District paid Short Term Disability program. Areas of analysis included eligibility, premium, weekly benefit, disability, certifications, exclusions, leave duration, intermittent/recurrent leave, notification/application for benefits, and timing of benefit payments.

Request for Proposal (RFP) for Third Party Administrator (TPA) - Decision

Ms. Hubbard reviewed the objectives for issuing an RFP for TPA services for the medical, vision, and RX benefits, such as cost containment, consumer transparency tools, and flexibility. The Trustees evaluated two providers on the following criteria: network discounts, administrative cost, flexibility, network disruption, plan administration, technology/transparency tools, wellness, and strategic partnership.

Milliman has completed the medical reimbursement and disruption comparison for the claims incurred January through December 2018. The report indicated that a move to Cigna would result in \$1.2 million additional claims assumption. Savings achieved by administrative fees and savings achieved by cost containment opportunities were estimated to offset the increased claims cost by 59% - 76%.

Discussion ensued about the strength and weaknesses, opportunities and challenges of each provider. After carefully considering cost, network disruption, technology, flexibility and strategic partnership, the Trustees directed the Chair and Benefits Program Administrator to engage in conversation with Premera in order to discuss our desires moving forward if we plan to continue our partnership.

The meeting was adjourned at 3:35 pm.

Approved by Trustees on June 13, 2019

x 

Melina Conover, CWPU UIP Chair