

**Minutes of the Regular Meeting of
CWPU Unified Insurance Program UIP
July 24, 2019**

The regular meeting of the CWPU UIP was held at Douglas PUD, 1500 Valley Mall Parkway, East Wenatchee WA 98802 on July 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>Public Utility District</u>
Melina Conover		Benton PUD
Barbara Davis		Douglas PUD
Marilee Kuehne		Ferry PUD
Carrie Locke	Brian Johnson	(via conference call) Franklin PUD
Darla Stevens		Grant PUD
Don Coppock	Katie Pfitzer	Okanogan PUD
Sarah Holderman		(via conference call) Pend Oreille PUD

Others in attendance:

CWPU UIP Benefits Program Administrator: Sylvia Hubbard
Alliant: Kim Chawes, Schuyler Briscoe, Christian Rothrauff

KrowdFit Demo

Jim Miller, KrowdFit, Scott Dinwiddie and Jordan Varriano, Vivacity joined the meeting via conference call.

Mr. Miller provided an overview of KrowdFit’s wellness platform. KrowdFit rewards sustained, consistent effort with cash incentives, payable through KrowdFit. KrowdFit integrates with a number of wearable devices and fitness apps. The participant can earn entries to win in these four health categories: sleep, steps, activity, and meals. Ongoing, sustained effort is rewarded by “leveling up”, which provides additional chances to win. A dashboard provides the participant with a wellness and engagement score. In addition, the wellness platform includes employer sponsored challenges, sweepstakes, and brand sponsored challenges.

Employees, spouses and dependents age 13 and older, who are covered on the UIP medical plan, are eligible to participate. The participant roster is maintained through eligibility files (new hires/terms). Each utility will have their own employer portal to manage their population. KrowdFit includes a customizable employer reporting tool that is HIPAA compliant and will not include any personal health information. Participants will contact KrowdFit directly for any questions relating to their participation in the program.

Discussion ensued about integration with wearable devices and options for those who do not own a wearable device. Mr. Miller pointed out that KrowdFit integrates with a number of fitness apps, and given that effort is rewarded with cash incentives, the only data that is allowed to be entered manually are meals. Mr. Dinwiddie added that some employers offer a credit to purchase a wearable device. Vivacity can subsidize the purchase of

wearables through a “storefront”. Vivacity assists with the implementation of the program by assigning a client manager to the group, providing training on how to manage KrowdFit, and by offering various promotional materials.

Mr. Miller reported that KrowdFit is experiencing a 72% sustained engagement rate over the last three years. For 2020, KrowdFit is adding mental and financial health to the four health categories.

KrowdFit will be available to the UIP starting on January 1, 2020.

Broker’s Report

UIP Experience Report:

Mr. Briscoe provided a year-to-date (January through June 2019) overview of plan performance: The medical PPO plan is experiencing a 97% loss ratio, the medical CDHP plan is experiencing a 79% loss ratio, for a combined medical plan loss ratio of 89%. The dental plan is running at a 91% loss ratio, while the vision plan is experiencing a 104% loss ratio. All plans combined experience an 89.2% loss ratio to budget. RX rebates in the amount of \$169,399.35 were received on April 26, 2019 for the 4th quarter in 2018. The rolling 12 month financial report reflects a decrease in Premera’s administrative fees starting January 1, 2019 and an overall loss ratio of 94%. He added that a couple of large claims triggered a stop loss violation at the end of last year. Mr. Briscoe reviewed the January through June 2019 large claims analysis and noted that although we are experiencing some high cost claims, the medical trend remains relatively flat.

2020 Initial Renewal Position:

Ms. Chawes reviewed the initial renewal for the 2020 plan year:

- **Premera Administration:**
Premera provided a four-year rate agreement, maintaining the current administrative fee for 2020, and included Teladoc and KrowdFit free of charge. The NICU per case fee will be increasing, as will the RX rebate per script fee. Premera offers a decrease of \$1 PEPM if the Trust achieves a 40% participation in electronic Explanation of Benefits (EOBs). Ms. Chawes will provide each utility with a list of employees who created an online account with Premera but did not choose to receive electronic EOBs for a targeted outreach.
- **Symetra Stop Loss:**
The initial quote included an 18% increase, however, experience data through August 2019 is needed in order to finalize the 2020 rate. Alliant issued a request for proposal, however, eight carriers declined to provide a quote due to uncompetitive rates, while one carrier provided a quote that reflected a 16% increase to current rates. Wellness initiatives, preventative measures, and historic trends are part of the discussion with the stop loss carriers in an effort to control premium cost.
- **Delta Dental:**
Delta Dental increased their administrative fee from \$7.50 PEPM to \$7.65 PEPM.
- **Symetra Long Term Disability (LTD):**
A current loss ratio of 140% is driving a proposed increase of 25.27% to overall funding, increasing the premium of the LTD core plan from \$24.98 PEPM to \$33.72 PEPM. Our current policy does not have any limitations on chemical dependency, mental nervous, and/or self-reported limitations which has a large

impact on the renewal rates. Typically, those types of claims have a 24-month maximum duration limit. Alliant reached out to Symetra to provide a no-bid offer, which is expected to be lower.

- **2020 Monthly Plan Costs:**

Alliant is proposing a 2.2% increase to the medical plan and a rate pass for the dental and vision plans.

2020 Renewal Considerations:

- **LTD Options:**

The option of funding the LTD program as a percent of payroll rather than a flat monthly premium was explored, which would lower the renewal increase to overall funding by 5.79%. Administrative changes required by this change were considered. In addition, options to increase the maximum monthly benefit from \$6,300 to \$10,000 were reviewed.

- **Stop Loss Deductible Options:**

Options of increasing the stop loss deductible from \$250,000 to \$275,000 or \$300,000 were discussed. While there are savings associated with increasing the deductible, the Trustees followed Alliant's recommendation to keep the stop loss deductible at \$250,000 and may consider raising the deductible at a future renewal.

Outcome/Further Action:

- As the LTD benefit is paid 100% by the employees, the Trustees decided to bring above stated LTD options to the Employee Insurance Advisory Committee (EIAC).

Delta Dental Action Report:

The group reviewed the 2018 Dental Action report, which indicated that 45% of members are in the healthy category and received preventive care only, 20% of members are in the moderate category who had preventive care as well as treatment, 14% of members are in the serious category who received emergency or extensive care only, and 21% of members had no dental claims. Discussion ensued about the high number of members who did not receive preventive care in 2018.

Outcome/Further Action:

- Alliant will contact Delta Dental regarding a targeted outreach to members who did not have a dental exam in 2018 in an effort to educate them about the importance of a preventive dental check-up.

Premera Knowledge Management Report:

The Trustees reviewed Premera's Knowledge Management Report for the period of December 1, 2017 through November 30, 2018. During the report period, Premera processed 94,400 claims (55,371 medical claims and 39,029 prescription drug claims). Premera handled 3,478 customer service inquiries (1,999 member inquiries and 1,479 provider inquiries). The average turnaround time for medical claims is 5.4 days. It was noted that medical claims increased by 5.2%, which is largely driven by high cost claimants, while the pharmacy cost decreased 6.1% driven by large claimants utilizing fewer high cost pharmaceuticals. The member cost share in the form of copays, deductibles and coinsurance decreased from 13.3% in 2015 to 12.6% in 2018.

CWPU UIP Strategic Plan

Chair Conover shared an updated version of the UIP Strategic Plan. The document was drafted to help define the UIP purpose and direction in order for the UIP to prepare and plan for the future. The UIP Strategic Plan was shared with the CWPU Managers and Trustees in 2018. The Trustees reviewed the revisions and requested that state offered long term care insurance be added to the UIP Challenges/Uncertainties.

Motion was made by Trustee Stevens and seconded by Trustee Coppock to adopt the UIP Strategic Plan dated July 24, 2019 with the understanding that this document is a working document, subject to change. Motion passed unanimously.

Broker's Report – continued

2020 Renewal Considerations

Ms. Hubbard shared that she and Chair Conover reviewed and evaluated several renewal options, considering member impact, cost impact, and analytics derived from experience reports provided by Alliant, Premera, Delta Dental, and Symetra. She highlighted the following recommendations:

- Teladoc: Implement Teladoc for general medical and dermatology visits starting October 1, 2019 and apply a \$10 copay for the PPO plan and CDHP plan.
- Talkspace: Communicate Talkspace starting October 1, 2019.
- KrowdFit: Implement KrowdFit starting January 1, 2020.
- Essentials RX formulary: Replace the current RX formulary with Premera's four-tier Essentials RX formulary, effective January 1, 2020.
- Opioid Management Services: Implement Opioid Management "standard" service for an additional fee of \$0.12 PEPM, effective January 1, 2020.
- Premera Blue Distinction Program: Communicate utilization of Premera's Centers of Excellence Program.
- Coordination of Benefits – Other Savings Bank: Eliminate Other Savings Bank effective January 1, 2020.

Open Enrollment Communications:

Ms. Chawes offered that the open enrollment communications will be finalized by September 1, 2019 and packets will be available as early as September 20, 2019. Changes to the benefit guide submitted by the utilities will be incorporated, as well as additional information regarding place of care, Teladoc, an explanation of the preventative drug list, eligibility, and a mental health resource page. Discussion ensued about active enrollment to assure that covered individuals are meeting the eligibility requirements. Ms. Stevens shared that Grant PUD will conduct active enrollments, so will Benton PUD. Mr. Briscoe added that some employers periodically conduct eligibility audits, while others include language in their open enrollment communication that allows for dependent eligibility audits at any time.

Outcome/Further Action:

- Include language in the open enrollment memo that allows the UIP to conduct dependent eligibility audits at any time.

Premera Annual Accounting

Ms. Chawes shared that Premera provides an annual reconciliation of fees charged and paid, as well as a summary of performance guarantees to Alliant. Discussion ensued about making the performance guarantees more

meaningful, such as defining engagement in Care Compass 360, etc. In addition, the Trustees agreed that Ms. Hubbard would complete the Team Satisfaction Survey.

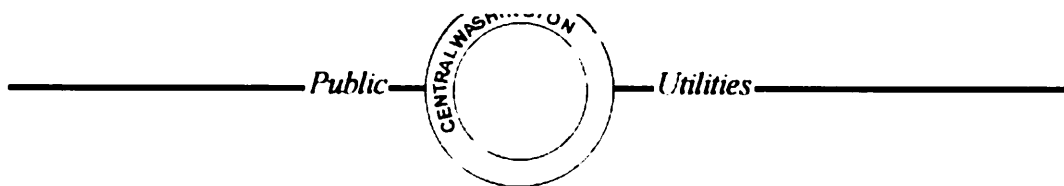
Open Public Meetings Act Training

The Trustees were encouraged to complete the online Open Public Meetings Act Training and to email a confirmation to Ms. Hubbard, confirming that the training was completed by August 19, 2019.

With no additional items to discuss, Chair Conover adjourned the meeting at 4:15 p.m.

Approved by Trustees on September 12, 2019.

x Melina Conover
Melina Conover, CWPU UIP Chair



**Minutes of the Special Meeting of
CWPU Unified Insurance Program UIP
July 25, 2019**

The special meeting of the CWPU UIP was held at Douglas PUD, 1500 Valley Mall Parkway, East Wenatchee WA 98802 on July 25, 2019, at 8:00 a.m., pursuant to proper notice thereof.

The meeting was called to order by Chair Conover at 8:00 a.m. The following individuals were in attendance:

<u>Trustees</u>	<u>Alternate Trustees</u>	<u>Public Utility District</u>
Melina Conover		Benton PUD
Barbara Davis		Douglas PUD
Marilee Kuehne		Ferry PUD
	Brian Johnson	(via conference call) Franklin PUD
Darla Stevens		Grant PUD
Don Coppock		Okanogan PUD
Sarah Holderman		(via conference call) Pend Oreille PUD

Others in attendance:

CWPU UIP Benefits Program Administrator: Sylvia Hubbard
Alliant: Kim Chawes, Schuyler Briscoe, Christian Rothrauff
CliftonLarsonAllen: Connie Olson (via conference call)

Approval of Meeting Minutes – June 13, 2019 Special Meeting

Trustees reviewed the meeting minutes from the June 13, 2019 special meeting.

Motion was made by Alternate Trustee Johnson and seconded by Trustee Kuehne to approve the minutes from the special meeting held on June 13, 2019. Motion passed unanimously.

Treasurers Report

Trust Income & Disbursements (Q2 2019)

Ms. Olson reviewed the financial report for the period of April 1, 2019 through June 30, 2019. She pointed out that during the month of April an adjustment was made to the RX rebate accrual in the amount of \$8,399.35 and bank fees increased, which correlates to the increase in market value of our portfolio. The month of May reflects RX rebates in the amount of \$13,462.91 received from Premera, as well as an accrual adjustment for flu shots. The final payment for the claims audit was made in June. The Wells Fargo Checking/Payments includes the payment of the PCORI fee in June. Ms. Olson reviewed the investments relating to Program Reserves and Contingency Reserves and noted that the Trust holds \$3 million in excess reserves.

Motion was made by Trustee Stevens and seconded by Trustee Coppock to approve the financial report for the UIP Trust for the period of April 1, 2019 through June 30, 2019. Motion passed unanimously.

State Audit Update

Ms. Olson explained that the State Auditor has completed the 2017-2018 accountability audit and 2018 financial audit. The auditor was onsite for one week and the preliminary report concluded that there are no findings. A final report will be prepared and posted on the State Auditor's website.

Discussion ensued about W2s requested by the auditor to verify claims eligibility.

Ms. Olson left the meeting at 8:25 a.m.

Request for Proposal – Flexible Spending Account

Ms. Hubbard explained that the UIP has partnered with Rehn & Associates for many years for the administration of the flexible spending account and opportunities may exist to improve member experience, provide coordination between the HRA/VEBA account and flexible spending account, and to save cost.

Outcome/Further Action:

- Invite OneBridge to review HRA VEBA administration and flexible spending account administration during the October 2019 or January 2020 meeting.

2019 – 2020 Goal Setting

Chair Conover explained that in order to focus efforts that support the UIP's mission, address challenges/uncertainties, and leverage opportunities/actions identified in the UIP strategic plan, it is important to set goals and expectations. She suggested focusing on member education and growing the Trust.

After discussion, the Trustees agreed to focus on the following during 2019/2020:

1. UIP marketing/branding/education (i.e. employee portal – website/mobile app, marketing plan)
2. Framework to grow the Trust (i.e. conditions, rules, boundaries on joining the Trust, voluntary retiree coverage)
3. Establish performance matrix (i.e. participation goals)

2020 Renewal

Chair Conover engaged the Trustees in discussion regarding the 2020 renewal considerations presented during the meeting held on July 24, 2019. The Trustees agreed to the following:

- Implement Teladoc for general medical and dermatology visits starting October 1, 2019 and apply a \$10 copay for the PPO plan and CDHP plan.
- Replace the current RX formulary A1 with Premera's four-tier Essentials RX formulary, effective January 1, 2020.
- Implement Opioid Management "standard" service for an additional fee of \$0.12 PEPM, effective January 1, 2020.

- Eliminate Other Savings Bank effective January 1, 2020.
- Remove deductible from Class 1 dental services, effective January 1, 2020.

- Communicate Talkspace starting October 1, 2019.
- Communicate KrowdFit starting January 1, 2020. Employees and their covered spouse and dependents age 13 and up are eligible to participate. Option to integrate with the UIP wellness program in the future.
- Communicate utilization of Premera's Centers of Excellence Program.

Motion was made by Trustee Stevens and seconded by Trustee Coppock to include plan design changes and program changes as listed above. Motion passed unanimously.


Motion was made by Trustee Stevens and seconded by Trustee Kuehne to increase medical premiums by 2.2%, no rate increase for dental and vision plans. Motion passed unanimously.

Outcome/Further Action:

- Chair Conover and Ms. Hubbard will meet with Brian Gray and Tim Barnett, IBEW to provide a renewal recap.

With no additional items to discuss, Chair Conover adjourned the meeting at 12:45 p.m.

Approved by Trustees on September 12, 2019.

x 

Melina Conover, CWPU UIP Chair