



**Minutes of the Regular Meeting of  
CWPU Unified Insurance Program (UIP)  
January 23, 2019**

The regular meeting of the CWPU UIP was held at Douglas PUD, 1151 Valley Mall Parkway, East Wenatchee, WA 98802 on January 23, 2019, at 10:00 a.m., pursuant to proper notice thereof.

The meeting was called to order by Chair Wenner at 10:05 a.m. The following individuals were in attendance:

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<b><u>Trustees</u></b>	<b><u>Alternate Trustees</u></b>	<b><u>Administrators</u></b>	<b><u>Public Utility District</u></b>
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	Katie Pfitzer	Dana Kincaid	Okanogan PUD

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**Others in attendance:**

UIP Benefits Program Administrator: Stacie Frank  
UIP Treasurer: Rob Gillespie  
Alliant: Kim Chawes, Schuyler Briscoe  
CliftonLarsonAllen: Connie Olson

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**Cigna Presentation**

Omid Moradshahi, Senior Account Manager; Brad Baker, Vice President of Sales and Service; Dr. John A. Sobeck, MD, MBA, Senior Medical Executive; Jim Fitzpatrick, Provider Contracting Director; Kendall Bans, MS, Director of Client and Customer Engagement; Jonathan Lowe, Senior New Business Manager; Susan Huffman, Director of Implementation; and Jeanine Ruby, West Coast Prescription Team Coordinator (via conference line) joined the meeting at 10:10 a.m. The Cigna team highlighted the Cigna network, pharmacy management, and implementation.

Chair Wenner called a short recess at 12:05 p.m.; meeting reconvened at 12:15 p.m.

The Cigna team reviewed services offered relating to client management and left the meeting at 12:50 p.m. following a brief question and answer period.

**Treasurers Report**

Ms. Olson provided an overview of the Financial Report for the period beginning October 1, 2018 through December 31, 2018 and highlighted the following:

- All known accruals for income and expense have been accounted for in December 2018.

- It was decided to update the investment reporting to fair market value instead of amortizing premium or discount after discussions with Treasurer Gillespie and Trustee Coppock.
  - The overall change is reflected as an Unrealized Gain (Loss) account.
  - Realized gain or losses upon redemption were posted for Quarter 4 and January to September 2018 redemptions were updated in December 2018.
- The Claims and Admin Fee Refund account reflects RX rebates accrued for Quarters 3 and 4.
  - Quarter 3 is based on the actual amount received in January 2019.
  - Quarter 4 is an accrual calculation discussed with the Treasurer Gillespie and Trustee Coppock.
- The previous IBNR Reserve has been re-titled to Program Reserve to comply with the revised Financial Reserve Policy.
  - Due to the policy changes of increasing the Program Reserve to 16 weeks of medical, dental, prescription, and vision program expenses, the Program Reserve liability increased significantly, as expected.
- A stop loss refund was received in December 2018.
- A payment was made in December 2018 for the claims audit as reflected in the Other Operating Expenses.
- A new report was presented to give the Trustees a 3-year view of the income and expenses for the Trust.
- The bank and investment accounts will be retitled once they are officially changed with Wells Fargo.
- The reserve balances reflect a deficit in the Program Reserve account due to the Financial Reserve Policy change.

Treasurer Gillespie stated that in accordance with our revised Financial Reserve Policy, the names of the two trust reserve funds, currently held with Wells Fargo, have to be changed and a transfer of investments within the fund reserve accounts will need to be made.

**Motion** was made by Trustee Davis and seconded by Trustee Coppock to have contingency and program reserve accounts be titled as indicated in the Financial Reserve Policy and to manage investments to the levels required within the policy. Motion passed unanimously.

**Motion** was made by Trustee Coppock and seconded by Trustee Locke to approve the Financial Report for the Trust for the period of October 1, 2018 through December 31, 2018. Motion passed unanimously.

**Outcome/Future Action:** Treasurer Gillespie will work with Wells Fargo to ensure that the actions of this motion are completed.

#### **Brokers Report**

Mr. Briscoe facilitated a follow-up discussion to Cigna's presentation. The topics of network access and discounts, RX carve out, health and wellness programs, transparency tools, customer service levels, bundled services, employee education, and performance guarantees were discussed. Mr. Briscoe suggested engaging a firm to conduct a claims repricing analysis.

**Motion** was made by Trustee Davis and seconded by Trustee Kuehne to select a vendor to conduct claims repricing between Premera and Cigna at a cost not to exceed \$20,000. Motion passed unanimously.

The Trustees agreed to tentatively meet in person on March 14, 2019 to make a decision on the TPA.

Ms. Chawes provided a recap of the 2019 renewal, including benefit plan considerations, benefit plan changes, premiums, employee contributions, TPA administrative fees, stop loss and COBRA rates, and vendor RFPs. Ms. Chawes explained a new process of preparing benefit guides and asked that all branding/template changes be provided to Alliant by August 1, 2019.

Mr. Briscoe reviewed the 2018 year-end experience reports. The year ended at 96.7% cost to budget for all medical/RX plans, compared to 99.6% the previous plan year. The PPO plan experienced 104.3% cost to budget, while the CDHP plan experienced 86.5% cost to budget. In 2018, the cost of the PPO plan per employee/per month (PEPM) was \$1,532, compared to the CDHP plan PEPM cost of \$742. The dental plan increased to 96% cost to budget and the vision plan decreased to 93.6% cost to budget over the previous plan year.

Ms. Chawes reviewed the 2019 calendar and suggested to set rates during the 3<sup>rd</sup> Quarter CWPU UIP meeting.

#### **Approval of Meeting Minutes**

In the interest of time, Chair Wenner deferred the approval of meeting minutes to the next meeting.

#### **Interlocal Agreement**

Ms. Frank reviewed the proposed changes to the Interlocal Agreement and asked for clarification of the term for Chair and Vice-Chair elections. The Trustees agreed to set the term at two years. In addition, Ms. Frank pointed out that making changes to our Interlocal Agreement requires a 30 day notice to the Office of Risk Management.

#### **AGRIP Designated Representative**

In the interest of time, Chair Wenner deferred the topic of AGRIP Designated Representative to the next meeting.

#### **Short Term Disability Plan Document**

Vice Chair Hubbard explained that a subcommittee was formed to create a program description of our short-term disability program. Eligibility language contained in the program description aligns with our long-term disability program; benefit language mirrors the provisions in article 5 of our Collective Bargaining Agreement. Alternate Trustee Stevens requested to ask a benefits attorney to review the program description prior to approval.

#### **Executive Session**

Chair Wenner called an executive session to discuss the performance of a public employee at 2:50 p.m. for 15 minutes. The regular meeting reconvened at 3:05 p.m. to extend the executive session for 10

minutes. The regular meeting reconvened at 3:15 p.m. to extend the executive session for another 10 minutes. The regular meeting reconvened at 3:25 p.m. No actions followed the executive session.

The meeting was adjourned at 3:28 p.m.

Approved by Trustees on March 14, 2019

x Melina Conover

Melina Conover, CWPU UIP Chair