



**Minutes of the Regular Meeting of  
CWPU Unified Insurance Program UIP  
January 22, 2020**

The regular meeting of the CWPU UIP was held at Douglas PUD, 1500 Valley Mall Parkway, East Wenatchee, WA 98802 on January 22, 2020, 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	Gary Ivory	Douglas PUD
Marilee Kuehne		Ferry PUD
	Brian Johnson (via conference call)	Franklin PUD
Darla Stevens		Grant PUD
Don Coppock	Katie Pfitzer	Okanogan PUD

**Others in attendance:**

Pend Oreille PUD:	Suzie Thompson, Destini Parker
UIP Auditor:	Juan Esparza
CWPU UIP Benefits Program Administrator:	Sylvia Hubbard
Alliant:	Kim Chawes, Kerri Coyle, Schuyler Briscoe
CliftonLarsonAllen:	Connie Olson (via conference call)

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Trustee Coppock shared that he has provided his notice of retirement to Okanogan PUD. His last day will be April 17, 2020. Trustee Davis added that she has provided her notice of retirement to Douglas PUD. Her last day will be March 2, 2020.

The UIP Chair and the Trustees congratulated Trustee Coppock and Trustee Davis on their upcoming retirement, expressed their gratitude for their commitment to the UIP Trust, and their appreciation for the many years of service as UIP Trustee.

**Meeting Minutes**

The Trustees reviewed the minutes of the December 12, 2019 regular meeting.

**Motion** was made by Vice Chair Pfitzer and seconded by Trustee Stevens to approve the minutes of the December 12, 2019 regular meeting. Motion passed unanimously.

**Treasurers Report**

**Trust Income & Disbursements (Q4 2019)**

Ms. Olson reviewed the financial report for the period of October 1, 2019 through December 31, 2019. She pointed out that RX rebates for December 2019 reflect an accrual of expected RX rebates for the 3<sup>rd</sup> and 4<sup>th</sup> quarter. Since preparing the income statement, Ms. Olson received RX rebates for the third quarter in the amount of \$232,515. Other refunds and rebates of \$8,028 include a payment received from Grant PUD on behalf of a COBRA participant and a refund received from Symetra. A program reserve adjustment was made in December to meet the new accrued medical and dental program reserve amounts. Ms. Olson introduced a new profit and loss comparison to the previous year. The difference between the 2018 and 2019 net income is largely driven by the adjustment to reserve levels in 2018. Ms. Olson reviewed the statement of net position, which was included in the electronic meeting materials, but omitted in the printed packets. In addition, she reviewed the 2019 reserve levels, which reflect an excess of reserves in both the program and contingency reserve accounts.

Ms. Olson will finalize the financials in preparation of the state audit. If the received amounts for the 3<sup>rd</sup> and 4<sup>th</sup> quarter RX rebates significantly exceed the accrued amount of \$400,000, Ms. Olson may correct the financial report for Trustee approval.

**Motion** was made by Trustee Coppock and seconded by Trustee Davis to approve the financial report for the UIP Trust for the period of October 1, 2019 through December 31, 2019. Motion passed unanimously. Alternate Trustee Johnson abstained from the vote due to the statement of net position not being included in the printed meeting packet.

Ms. Olson left the meeting.

Trustee Coppock shared that, in advance of the meeting, Ms. Olson had provided him, the Auditor, Treasurer, and UIP Chair with a list of adjusting journal entries for 2019 and requested that adjusting journal entries are provided quarterly. Ms. Hubbard shared that she will be meeting with Shannon Stuber, Department of Risk Enterprises to receive clarification if the Trustees should be provided with a check register, reflecting payments made from the Trust account, on a quarterly basis.

### **Broker Report**

#### **2020 Renewal Recap**

Ms. Chawes provided a look back of the 2020 renewal, including benefit plan changes considered, benefit plan changes implemented, the result of contract negotiations with Premera, fixed cost savings achieved, request for proposals for stop loss insurance issued and medical TPA evaluated, premium increases implemented, and new benefit offerings communicated.

Mr. Briscoe added that after the renewal process was finalized, and as a result of recent legislature, Symetra made a conservative decision to eliminate the refunding provision in their stop loss contracts. Symetra has offered a good faith payment in the amount of \$6,520, equal to 1% of the collected premium in 2019, which has been received by the Trust. Because the refund is based on pool experience, it is unclear if and how much of a refund the Trust would have received in 2020. In 2018, the Trust received a refund in the amount of approximately \$30,000, while the Trust did not receive a refund in 2019. Mr. Briscoe stated that Symetra is working on introducing a new refunding concept later this year and added that refunding provisions will be a consideration when marketing stop loss insurance for next year.

Ms. Coyle recapped the open enrollment process, including changes made to benefit guides and the addition of a benefit guide for COBRA participants, which had been created only for Benton PUD in the past. Ms. Hubbard developed two open enrollment memo templates and a power point presentation. Chair Conover shared that she has received positive feedback on the benefit guide, which was echoed by Vice Chair Pfitzer.

Ms. Coyle shared that 7% of covered employees migrated to the CDHP plan during open enrollment, increasing CDHP plan enrollment to 62% of the covered employees. In addition, she reviewed the historical plan migration, which has been gradual since 2014.

### **Experience Reporting**

Ms. Coyle shared the combined Teladoc utilization for the time period of October 1, 2019 through December 31, 2019. 232 members have registered with Teladoc and 49 consultations have been received. The average call-back time of 36 minutes includes dermatology consultations which can take up to 48 hours to respond. Ms. Coyle reviewed a cost savings analysis, comparing the cost that would have incurred based on members' pre-consultation intention versus the cost incurred using Teladoc. To date, the total cost savings are estimated at \$5,775. Ms. Coyle added, that while cost savings are important, another positive outcome is time savings, ease of access, and convenience to the covered employees and their dependents. Chair Conover thanked Ms. Coyle for the cost saving analysis and requested a quarterly report on Teladoc utilization.

Ms. Chawes reminded the Trustees that the IDAP report presented in 2019 identified mental health as one of the top five health conditions affecting the Trust, exceeding the Truven benchmark prevalence by 3%. The diagnosis of depression is the main cost driver, incurring claims in the amount of \$2.5 million in 2018. Because mental health affects not only employees, but also spouses and children, Ms. Chawes recommended the Trustee consider a home mailing creating mental health awareness and identifying resources.

Vice Chair Pfitzer stated that she noticed mental health care being an option of available care through Teladoc. Teladoc was implemented in October 2019 for general health care and dermatology, but not for mental health care. Discussion ensued about access to mental health care, the option of offering mental health through Teladoc, cost involved in making the change outside the renewal period, and utilization of existing mental health resources, such as Talkspace. Ms. Chawes will follow up with Premera to determine why mental health seems to have been added to Teladoc and will request Talkspace utilization through IDAP.

Mr. Briscoe provided a year-to-date overview of total plan cost versus budget. The PPO plan is performing at 100% cost to budget, while the CDHP plan runs at 82%. Both medical plans combined experience a 92% cost to budget ratio. The dental plan is performing well at 91%, while the vision plan runs at 101% cost to budget. Mr. Briscoe highlighted RX rebates received in 2019, totaling \$593,605 and expects a continued increase in RX rebates until the RX drug market experiences a significant change. Trustee Stevens asked the net spent for RX be reflected in the experience report. Mr. Briscoe pointed out that medical claims decreased while RX claims increased in 2019. While the plan experienced an overall decrease in total medical claims in 2019, the CDHP plan experienced an increase from \$742 PEPM in 2018 to \$759 PEPM in 2019. Mr. Briscoe explained that migration to the CDHP plan will result in increased cost over time. Typically, members with low utilization migrate to the CDHP plan early on, followed by members who adopt a behavior change and become engaged in their health care. Later adopters are typically members with known disease states and controlling cost will be harder to achieve. Discussion ensued

about claims experience of the PPO and the CDHP plan, medical premium set as aggregate group, future plan options, and employee education.

Mr. Briscoe shared that one claimant exceeded the individual stop loss claims amount of \$250,000, which resulted in a reimbursement of \$33,802 from the stop loss carrier in December 2019. He reviewed the large claims analysis and pointed out that 10 of the 18 high claims are due to cancer related diagnosis. Overall, the large claims are relatively low compared to other groups.

### **Future Considerations**

Ms. Chawes introduced the 2020-2023 Healthcare Master Plan and shared that, while this master plan spans over three years, it is considered a working document with a focus on initiatives that matter to the Trust in 2020. The master plan includes education as a benefits strategy, benchmarking to norms, future benefit plan considerations, monitoring of utilization of Krowdfit, data analysis through IDAP, and other initiatives such as issuing a request for proposal for life and disability insurance and flexible spending, growing the Trust, branding the UIP, and evaluating voluntary benefits.

Ms. Chawes reviewed the timeline for issuing a request for proposal for the life and disability insurance. In accordance to the timeline, Alliant will request census data from each utility by January 27, 2020 with the request to provide census data by February 7, 2020. The timeline calls for evaluation and finalist presentations by April 22, 2020 and, if the decision is made to move to a different vendor, the start of implementation by June 1, 2020. Ms. Hubbard will reach out to the utilities to collect and compile feedback about the current life and disability insurance vendor.

Ms. Coyle shared that the Delta Dental action report indicated that 22% of members did not have a preventive visit in the last 12 months. The Trustees had discussed reaching out to members who have not seen a dentist in a targeted campaign. Delta Dental has agreed to mail a postcard to members starting February 7, 2020 at no cost to the Trust.

### **Compliance**

Ms. Chawes reminded the Trustees that recently the PCORI fee, which was scheduled to sunset with plan years ending after September 30, 2019, has been extended for 10 years. At this time, it is unclear what the cost per covered individual will be in 2020. Mr. Briscoe added that Alliant will be offering a compliance seminar in the near future and invited the Trustees to attend.

Ms. Chawes introduced a compliance checklist, tailored to rules and laws applicable to the Trust and prepopulated with answers consistent throughout the Trust. The checklist includes highlighted areas for utilities to complete by March 1, 2020. Ms. Hubbard will provide the checklist to the utilities, answer questions, collect and retain the completed checklists.

Alternate Trustee Ivory, Alternate Trustee Johnson, and Auditor Esparza left the meeting.

## **Benefits Program Administrator Report**

### **Annual Review of Trust Policies and Procedures**

Ms. Hubbard shared that she reviewed existing Trust policies, procedures, and guidelines to determine whether updates, changes, or revisions are required or recommended. No changes were recommended to the Trust's financial reserve policy, procurement procedure, claims management procedure, and investment guidelines.

Ms. Hubbard provided a revised claims validity and verification procedure to include the assistance of the Benefits Program Administrator to help resolve any discrepancies and to retain the verification reports in compliance with records retention schedules.

In addition, Ms. Hubbard recommended to draft and implement a records retention policy and to further investigate the need of an investment policy. Discussion ensued about inviting Wells Fargo to present to the Board of Trustees.

**Motion** was made by Trustee Stevens and seconded by Trustee Coppock to approve the Claims Validity Audit and Verification procedure as revised. Motion passed unanimously.

### **Washington Paid Family and Medical Leave (PFML)**

Ms. Hubbard shared that benefits through PFML have become available to non-represented employees effective January 1, 2020. Communication materials, including a dedicated PFML website, etc. were created to communicate the benefit. She provided a revised timeline to reflect the goal of having a voluntary medical plan in place for all employees effective April 1, 2020. The voluntary medical plan program description was revised to include changes requested by the State.

Discussion ensued about certification of a serious medical condition under PFML and FMLA and options for claims and leave administration through Symetra. The concept of a shared resource for tracking various employee leaves was discussed.

**Motion** was made by Trustee Davis and seconded by Trustee Coppock to adopt the revised short-term disability program description, in substantially the form presented, for all utilities, except Grant PUD. Motion passed unanimously.

### **Project Update**

Ms. Hubbard provided the Trustees with an update on issues that arose recently, affecting the Trust and its members.

Diabetic supplies claims processing: In 2018 changes to the CDHP summary plan document were made that changed diabetic supplies to being covered in full. Because the change was made outside the annual renewal, Premera's claims processing system was not coded accordingly and cost-shares for diabetic supplies were applied. This issue was identified in October 2019, the correction to Premera's claims processing system was made, and an impact report has been received. Outstanding items include member refund and reprocessing of accumulators for annual deductible and out-of-pocket maximum.

PV1 preventive drugs claims reprocessing: As a result of correcting the above stated diabetic supplies claims error, cost shares for PV1 preventive drugs were applied to CDHP plan members. The error was identified in December 2019. Since then, the correction to claims processing has been made and an impact report has been received. Outstanding items include member refund and reprocessing of accumulators for annual deductible and out-of-pocket maximum.

Teladoc registration error: Starting late December 2019, employees and their dependents were unable to register with Teladoc. The issue was resolved starting January 1, 2020.

### **2020 UIP Calendar**

The UIP calendar was provided to the Trustees and will be updated to reflect a legend of the various colors used highlighting certain dates.

The following locations for future meetings were identified:

- EIAC meeting, February 27, 2020 at Douglas PUD
- UIP Trustee meeting, April 22, 2020 in Spokane, WA
- UIP Trustee meeting, July 22 & 23, 2020 at Benton or Franklin PUD

### **Outcome/Further Action – Benefits Program Administrator**

- Ms. Hubbard will explore the option of a shared resource for consideration at the future meeting.
- Alliant will contact Symetra for updated pricing for claims and leave administration.

### **UIP Chair Report**

#### **2019 UIP Accomplishments**

Chair Conover provided a recap of accomplishments achieved in 2019, including contracts and agreements the Trust executed, policies that were adopted, and audits that were completed. In 2019, compliance with the Washington Paid Family and Medical Leave Program took center stage, as did the decision about the medical TPA, and collective bargaining contract negotiations.

#### **2020 UIP Operating Plan**

Chair Conover shared the 2020 UIP Operating Plan, which was developed to achieve the UIP goals as identified by the UIP Trustees during the July 25, 2019 meeting. The 2020 UIP Operating Plan includes tactics and action items to work toward achieving the goals. Branding the UIP Trust was identified as an initiative in 2020, and as such, three sample UIP logos were developed by Grant PUD's Communications Specialist and introduced to the Trustees. After review and discussions, the Trustees decided on the UIP logo below.



*Unified Insurance Program*

**Motion** was made by Trustee Coppock and seconded by Trustee Stevens to approve the 2020 UIP Operating Plan. Motion passed unanimously.

**Executive Session – Review of Public Employee’s Performance**

Chair Wenner called an executive session to discuss the performance of a public employee at 2:00 p.m. for 15 minutes. The regular meeting reconvened at 2:15 p.m. No actions followed the executive session.

With no additional items to discuss, Chair Conover adjourned the meeting at 2:15 p.m.

Approved by Trustees on February 13, 2020.

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Melina Conover, CWPU UIP Chair