



Unified Insurance Program

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

The regular meeting of the CWPU UIP was held via video conference on April 22, 2020, at 10:00 a.m., pursuant to proper notice thereof.

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

| <u>Trustees</u> | <u>Alternate Trustees</u> | <u>Public Utility District</u> |
|-----------------|---------------------------|--------------------------------|
| Gary Ivory | Jody George | Benton PUD |
| Carrie Locke | Shauna Cenotto | Douglas PUD |
| Darla Stevens | | Franklin PUD |
| Rob Gillespie | Katie Pfitzer | Grant PUD |
| Destini Parker | Suzie Thompson | Okanogan PUD |
| | | Pend Oreille PUD |

Others in attendance:

| | |
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| Benton PUD: | Karen Dunlap |
| CWPU UIP Benefits Program Administrator: | Sylvia Hubbard |
| Alliant: | Kim Chawes, Kerri Coyle, Lesley Henry, Schuyler Briscoe, Christian Rothrauff |

Meeting Minutes

The Trustees reviewed the minutes of the April 9, 2020 regular meeting.

Motion was made by Trustee Locke and seconded by Trustee Stevens to approve the minutes of the April 9, 2020 regular meeting. Motion passed unanimously.

Treasurers Report

Trust Income & Disbursements (Q1 2020)

Ms. Olson stated that she is preparing the 2019 financial statements and pointed out that the income statement for the period of October 1, 2019 through December 31, 2019 was revised to include a stop loss refund received in 2020 and a Delta Dental claims overpayment recovered in 2020.

Ms. Olson reviewed the financial report for the period of January 1, 2020 through March 31, 2020. She pointed out that 3rd quarter 2019 RX rebates in the amount of \$232,515 were received in January, exceeding the accrued amount by \$26,515.19. The excess rebate amount is reflected on the income statement in the month of January. Discussion ensued about the RX rebate reimbursement model versus a decrease in RX pricing. Ms. Olson reviewed

other operating expenses, including an invoice paid to Perkins Coie in February and concluded the review of the financial report by sharing the new contingency reserve expenditure report for Trustee review and approval.

Motion was made by Trustee Locke and seconded by Trustee Stevens to approve the revised financial report for the UIP Trust for the period of October 1, 2019 through December 31, 2019, to approve the financial report and contingency reserve expenditures for the UIP Trust for the period of January 1, 2020 through March 31, 2020, pending UIP Auditor review. Motion passed unanimously.

Ms. Olson left the meeting.

Carmen Winters, Jeff Scalp, Jeff Zabinski, Rebecca Lai, and Geoff Robinson (Premera) joined the meeting at 10:30 a.m.

Premera Knowledge Service Report

The Premera team provided the knowledge management report for the UIP for the period of December 1, 2018 through November 30, 2019.

Ms. Winters shared that the customer service team handled 3,321 inquiries and processed 91,693 claims, of which 97.3% of the claims were incurred through in-network providers. Ms. Winters highlighted Premera's value based care arrangements and centers of excellence program.

Mr. Scalp reviewed the top provider report, including relative cost and quality rating and reported that total claims paid decreased by \$842,000, largely attributed by a 5% decrease in medical claims. The utilization report reflected a decrease in inpatient days and a 24% decrease in inpatient cost per member per month (PEPM). Outpatient PEPM cost increased by 11% caused by higher cardiovascular, chemotherapy, and infused drug services.

RX costs increased by 5.1% driven by high cost claimants utilizing more costly specialty medication. An increase in generic fill rate resulted in a 2% decrease in RX costs. Mr. Zabinski shared that RX rebates increased by 27% and explained that RX rebates are received from drug manufacturers for specific brand name drugs and vary based on utilization of certain drugs. RX rebates are negotiated and are expected to increase as the cost of prescriptions increase.

Ms. Lai reviewed services provided by CareCompass360°, risk scores and claims costs associated by member health. 73% of the UIP population is in the healthy category, incurring 17% of the total cost, while 5% of members are in the high risk and complex category, incurring 42% of the total cost. Ms. Lai reviewed large claimant diagnosis and engagement in Premera's health support programs. While more dollars are spent on preventive care than by high cost claimants, preventive exams/screenings and immunizations are below norm.

Mr. Zabinski reviewed pharmacy cost by therapeutic categories and the top 20 prescription drugs. He explained that RX research focuses on high cost specialty drugs, such as gene therapy, treating rare conditions. Currently, four such therapies exist, however, by 2022 forty additional therapies are expected. While there is low utilization expected, the cost of these therapies range from \$300,000 to \$1 million.

Ms. Lai shared that in response to limited access to primary care in the Spokane area, Premera opened the Vivacity Care Center with two additional centers planned to open in the Spokane area. In the future, the care center may

expand to rural areas. The patient-centered care center offers comprehensive primary care, including health coaches and a specialty care referral program. Cost of emergency room visits have decreased, while urgent care visits increased. Preventable emergency room visits are below the norm reflecting members accessing care appropriately.

Ms. Lai introduced Livongo, a chronic condition support program addressing diabetes and hypertension. Mr. Scalp highlighted drug solutions, such as essentials formulary. Coming in 2021, specialty drug savings programs will include SafeonSP and CareAlerts. Ms. Winter highlighted web and mobile tools and member engagement.

Jeff Scalp, Jeff Zabinski, Rebecca Lai, and Geoff Robinson (Premera) left the meeting at 12:45 pm. Vice Chair Pfizer called a 30 minute recess at 12:50 p.m.; meeting reconvened at 1:20 p.m.

Premera Knowledge Service Report continued

Ms. Winters (Premera) reviewed the Calypso subrogation report, including recovery reasons and shared that \$492,627 was recovered for the time period of January 2019 through September 2019.

Ms. Winters left the meeting at 1:40 p.m.

Broker Report

Experience Reporting

Covid-19 Analysis

Mr. Rothrauff explained that Alliant's actuarial staff has developed a cost model to project claims impact related to COVID-19. The model uses data points from the CDC, such as infection rates, hospitalization, ICU cases, and mortality rates, and UIP specific data derived from IDAP. According to the Centers of Disease Control and Prevention (CDC), individuals with two or more chronic conditions have a higher hospital admission rate. Through IDAP, Alliant is able to identify the number of individuals falling into higher risk categories. Mr. Rothrauff shared that utilization for the next four to six months will not follow the typical pattern as elective surgeries and non-urgent care visits are postponed or avoided. At this time, additional cost related to COVID-19 is projected between \$617,000 and \$1 million, which can be covered through excess reserves. Mr. Rothrauff added that he may look at 24 months of data to normalize experience or disregard COVID-19 related claims when recommending rates for 2021. The UIP may also add additional funding for COVID-19 claims to rebuild claims. Mr. Briscoe added that this cost model continues to evolve as we learn more about a potential second wave of infections and possible immunization.

Teladoc Utilization

Mr. Briscoe shared that 339 members have registered with Teladoc, 123 of those have registered during the advance of COVID-19.

Experience Report

Mr. Briscoe provided a year-to-date overview of total plan cost versus budget. The PPO plan is performing at 104% cost to budget, while the CDHP plan runs at 70%. Both medical plans combined experience an 86% cost to budget ratio. The dental plan is performing well at 90%, while the vision plan runs at 88% cost to budget. RX rebates

received through the 3rd quarter in 2019 total \$656,721. Comparing the current rolling 12 months to the prior rolling 12 months, total claims cost decreased by \$42 PEPM; medical cost for all plans are down by \$60 PEPM, while RX costs are up by \$18 PEPM. The large claims analysis reflects one member who is expected to incur additional claims.

Chair Conover joined the meeting at 2:20 p.m.

Trust Considerations

Considering opportunities, such as enhanced negotiating power, improved economies of scale, and increased rate stability, the Trustees are carefully considering the possibility of expanding the Trust. As such, the Trustees considered eligibility, marketing approach, risk and corresponding rate tiers, participation requirements, plan choices, reserve levels, termination clause, board structure, administration, renewal timing, and reporting.

The following next steps were identified: finalize and share considerations with General Managers and engage with an attorney to draft a participant agreement to be introduced to the CWPU Managers during their annual meeting.

2021 Renewal Planning

Ms. Chawes provided a brief overview of renewal dates. A request for proposals (RFP) was issued for the life and disability products. Five carriers responded; Hartford and Lincoln offered the most competitive responses.

Motion was made by Vice Chair Pfitzer and seconded by Trustee Locke to renew with Symetra for life and disability insurance at the renewal rates presented. Motion passed unanimously.

An RFP for Section 125 Flexible Spending Plan will be issued in June.

Ms. Chawes reviewed the 2020-2023 Healthcare Master Plan.

Trustees Stevens and Parker left the meeting at 3:00 p.m.

Operating Plan - Measure Performance

Mr. Briscoe provided criteria that could be used to measure the performance of the Trust, which focus on engagement and as such removes variables that cannot be controlled:

- **Teladoc:** Increase number of members registering for Teladoc by 10% annually; quantify dollars saved for steering members to Teladoc visits.
- **Wellness Program:** Maintain less than 10-15% of the population in the high risk categories for blood pressure, cholesterol, and BMI based on national standards; achieve 80% completion of preventive medical exams annually.
- **Chronic Conditions:** Maintain or decrease prevalence rates in all top ten chronic conditions with a goal to be at or below benchmark; monitor adherence to condition management guidelines for top three conditions (lower back pain, hypertension, hyperlipidemia) with a goal of 70% or better adherence rates; for depression, track utilization in Teladoc/Talkspace and mental health visits and increase utilization year-over-year.

- Delta Dental Preventive Campaign: Increase preventive dental exams by 10% each year.
- KrowdFit: Increase participation; potentially tie into the wellness program in the future.
- Emergency Room Utilization: Decrease emergency room visits.
- Review and adjust on an annual basis.

Compliance

Ms. Chawes shared that Alliant has created a Coronavirus Workplace Playbook that is being updated with laws, rules, regulations, and resources relating to COVID-19.

UIP Chair Report

Alliant Consulting Agreement Renewal

Chair Conover explained that due to the additional consulting work related to growing the Trust, she is engaged with discussions with the Alliant team and will bring a fee proposal to the UIP Trustees at the next UIP meeting.

Treasurer Nomination

After serving a five-year term, Rob Gillespie and Janet Crossland have expressed their desire to step down from their roles as UIP Treasurer and UIP Assistant Treasurer and Chair Conover asked for nominations. Due to staffing changes, current projects, and additional work loads, no nominations were brought forward. Ms. Hubbard shared that Trustee Parker and Alternate Trustee Thompson may be able to serve in the respective roles and will reach out to both following the meeting.

2020 Wellness Program Requirements

The 2020 wellness program includes three parts: biometric screening, local wellness event, and preventive exam to be completed between December 1, 2019 and November 30, 2020 to qualify for the monthly HRA VEBA wellness incentive. Due to COVID-19, the CDC has recommended to postpone non-essential health care. Depending on how long access to care is restricted, additional time may be required to complete the wellness program or an alternative may need to be provided to allow employees an opportunity to qualify for the wellness incentive.

Alternatives such as Teladoc registration, online training, health risk assessment, elect to receive electronic Explanation of Benefits etc. were discussed. In addition, the question was raised if onsite biometric screening can be scheduled in light of social distancing.

Outcome/Further Action

- Ms. Hubbard will draft additional options to complete part 3 of the wellness program to be reviewed at a subsequent meeting.
- Ms. Hubbard will notify the Union that due to COVID-19, non-precedent setting additional options may be offered to provide opportunities to qualify for the wellness incentive and avoid penalizing employees for circumstances outside their control.

Unified Insurance Program Document

Chair Conover explained that over the years, several documents were developed to define the UIP, its strategic plan and goals, and roles and responsibilities of the Trustees and the Benefits Program Administrator. Ms. Hubbard combined these various documents and provided an overview of the document, highlighting meeting attendance, roles relating to the positions of Trustee, UIP Chair/Vice Chair, Treasurer, Auditor, and Benefits Program Administrator. To communicate effectively between the member utilities, Benefits Program Administrator, benefits consultant, and carriers, Ms. Hubbard reviewed a communication flow chart. Chair Conover shared that she envisions this document be used when marketing the UIP, to provide an overview of the UIP to new Trustees and/or General Managers, etc.

Benefits Program Administrator Report

Paid Family and Medical Leave (PFML) – Voluntary medical plan application status

Ms. Hubbard explained that she submitted the voluntary medical plan application for all utilities by April 14, 2020. Feedback was received from the Employment Security Department (ESD), requesting one change to the benefit end dates. This change was reviewed by the subcommittee and incorporated in the plan documents, re-submitted on April 17, 2020.

PerkinsCoie staffing changes

Kiran Griffith was assigned to our account, replacing Melanie Curtice who is no longer with PerkinsCoie. Ms. Griffith's bio was included in the meeting packet. Ms. Hubbard reached out to Ms. Griffith to request updated fees.

PV1 drug and diabetic supply error update

Late last year, claims processing errors related to PV1 drugs and diabetic supplies were identified. Those errors have been corrected and refunds have been issued to affected members.

2020 Goals Update

Ms. Hubbard provided a status update on the 2020 UIP Operating Plan. The marketing tactic: develop UIP website was revised to reflect the utilization of in-house web development resources. Several actions have been completed on time or are in progress.

2020 UIP Calendar

The UIP calendar was updated to reflect due dates, initiatives, and tasks.

COVID-19 Update

- Attended webinar and learned that qualified leave wages are not subject to employer social security tax.
- Developed a grid of leave scenarios and applicable federal laws (FFCRA and FMLA), state law (PFML), and District offered benefits (short term disability, PL/sick leave, admin leave) and will share with the Trustees following the meeting.
- Governor Inslee's proclamation 20-46 mandates accommodations for employees at high-risk for severe COVID-19 illness.

- Premera is drafting an amendment to the medical summary plan documents to reflect the waiver of cost-share for COVID-19 related testing and treatment.
- The Family First Coronavirus Response Act (FFCRA) waived the requirement for a prescription for over the counter drugs in order to be eligible under the medical FSA and HRA VEBA.
- FFCRA added menstrual care products as eligible expense.
- Changes to the medical and dependent FSA contributions can be made if the employee experienced a change in cost for dependent care or change in medical insurance coverage.

Omada Mind

Ms. Hubbard shared that the UIP received an offer to subscribe to Omada Mind, a behavioral health app, at no cost through September 30, 2020. Through the app, employees and their families will have access to a health coach, trained in behavioral health and working under the supervision of a licensed social health worker, who supports the individual in the effort to improve emotional well-being over time. Engaged individuals will be referred to existing behavioral health resources 40 to 45 days prior to September 30, 2020, when the free subscription expires. The UIP has the option to continue the subscription to Omada Mind at discounted rates.

Motion was made by Vice Chair Pfitzer and seconded by Trustee Locke to authorize the UIP Chair to enter into a contract with Omada for behavioral health services through September 30, 2020, at no cost to the UIP. Motion passed unanimously.

With no additional items to discuss, Chair Conover adjourned the meeting at 4:00 p.m.

Approved by Trustees on May 14, 2020.

x Melina Conover
Melina Conover, CWPU UIP Chair