

# **Everett School Employee Benefit Trust**

Minutes of  
August 16, 2004  
Conference Room C3  
9:00 a.m.

## **Attendance**

### **Trustees**

John Morrill  
Betsy Selders  
Kay Nickel  
Jeff Riddle  
Molly Ringo  
Sue McCann

### **Also Attending**

Dottie Cainion  
Darla VanDuren  
Rene Boswell  
Tom Pursley  
Jill Mehner

## **I. Call to Order**

John Morrill called the meeting to order at 9:05 am

## **II. Adoption of Agenda**

The agenda was amended to add appeals. A motion was made, seconded and approved to adopt the agenda as revised. The trustees and appropriate staff and consultants adjourned to executive session to discuss appeals

## **IV. Approval of Minutes**

The minutes of the June 21, 2004 regular meeting and executive session were reviewed and approved as written.

## **V. Financials**

Darla reviewed the financial reports and indicated that so far (two weeks into August) the paid claims are higher than the past few months. August has traditionally had higher expenses due to claims from retirees prior to retirement and school year staff having medical issues addressed during the summer break.

## **VI. Renewal Report**

Jill Mehner and Tom Pursley presented renewal information including a review of our current plan, annual settlement for the period 10/1/02 – 12/31/03, insurance and administrative contract renewals, amendments to the plan document, trust financial projections, alternatives and recommendations. Insurance carrier ratings were available for review as were WEA medical plans. Changes to the plan document included:

1. Chiropractic services and x-rays limited to \$1000 per year maximum. The trustees approved.

2. Rehab services – remove the \$2000 per year on physical therapy. and the \$60 maximum per 45 days per calendar year on occupational and speech therapy and provide a combined benefit of \$5,000 per calendar year. The trustees approved.
3. Issues and changes proposed around Maxillofacial surgery and orthognathic surgery are pending until more information from Jill is received.
4. Skilled nursing facility care – add a 90 day maximum per calendar year. The trustees approved.
5. Hospice care – remove the 10 day inpatient limitation, remove limitations on skilled care and the four or more hours per day on respite care. There will now be a lifetime maximum of six months hospice care and a limit of 120 hours of respite care per three month period. The trustees approved.
6. A new summary plan description and/or amending the current summary plan will be decided on after the research requested is received and discussed.

Group Health proposes two renewal rates, one with and one without bariatric surgery. Jill will research what is in line with our PPO plans and verify information on moving \$50,000 of the current \$200,000 to a maximum payment for donor costs in the organ transplant benefit.

Items needing more research in the Pacific Care renewal include a \$50 co-pay for self injectables and a change to the age limit for dependent children. They are proposing “through 24”. Trustees would like to change the age limit across our plans if it is decided to do so with Pacific Care. Trustees asked for underwriting costs for ages 24 & 25.

The low participation and higher than expected claims in our LTD program will cause the rates to be increased by 20% - 37%. Mercer is continuing discussion with Standard regarding minimum participation.

Three scenarios regarding employee contributions were presented. (1) reduced employee costs for Group Health, keep Pacific Care and PPO III the same and increase the PPO I & II costs; (2) increase PPO I & II; (3) leave all contributions the same which would cost the trust approximately \$100,000.

Kay suggested raising all plan employee costs by \$1.00 in an effort to keep employees from becoming complacent about health care costs. Mercer will look at that scenario and bring information to the August 31<sup>st</sup> meeting.

Jeff suggested adjusting the RX co-pay which might convince employees in PPO I to move to PPO II. Mercer will research and bring information back to the August 31<sup>st</sup> meeting.

It was also suggested that naturopathic services be added to the PPOs. Mercer will research and bring information regarding this service to the August 31<sup>st</sup> meeting.

Jeff and Tom had a discussion regarding fund balance projections

**VII. Adjournment**

The meeting was adjourned at 1:08 pm.

**VIII. Next Meeting**

August 31, 2004

1:00 pm

Conference Room C3

Respectfully Submitted,

Sue McCann, Secretary

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