

Everett School Employee Benefit Trust

Minutes of
October 17, 2005
Boardroom
3:30 p.m.

Attendance

Trustees

Molly Ringo
Sue McCann
John Morrill
Betsy Selders
Kay Nickel
Mike Gunn

Also Attending

Darla Van Duren
Jill Mehner
Curt Haldorson

Recorder

Susan Sacha

I. Call to Order:

The meeting was called to order by Molly Ringo at 3:35 p.m.

II. Adoption of Agenda:

The agenda was adopted as written.

III. Approval of Minutes:

The September 19th minutes were reviewed and approved as written.

IV. Financial Report

Darla provided the trustees with a draft of the independent audit report being conducted by Moss Adams. She indicated an increase in the IBNR for the new fiscal year. Darla doesn't expect any surprises and said the final draft should be done soon and ready for the state audit in November. If trustees have questions or concerns about the draft they were invited to e-mail Darla.

The financial reports for July and August were distributed and reviewed. The numbers for July looked good. It showed an increase in IBNR but the fund balance increased as well. An excess overall of \$64,245 was made compared to \$220,413 last year for the first month.

August didn't fair as well as July and showed a loss of \$85,515 bringing the loss for the year to \$21,270. Darla noted that the September claims to date are extremely high and it is possible that some claims are getting close to stop-loss. She expects another loss in September.

The new dental rates take effect in October but the new state allocation is coming through as well. This week Darla invoiced the district for \$550,000 and should receive it on Friday. This will be part of the October numbers.

Darla provided a copy of the letter she'd received from Marsh regarding the fiduciary liability policy. She has faxed it to Melanie Curtice but hasn't heard back from her yet.

Darla asked the trustees if anyone wanted to be involved in the entrance meeting with Don Johnson regarding the upcoming state audit. Molly recommended that the responsibility of participating in the annual state audit entrance and exit meetings fall to the chair each year or if not available the secretary. After discussion, a motion was made and seconded to have the chair serve as the Trust representative each year at the entrance and exit meetings. In the event the chair was not able to attend, the secretary would serve as the Trust representative. The motion passed.

V. Investment Report (Curt Haldorson)

Curt Haldorson from Smith Barney provided investment information and reviewed it with the trustees. He said that he is trying to target the best interest rates versus risk and is looking at liquidity and cash flow trust needs. He feels that short-term CDs are the best at this time and is thinking in terms of one and two year CDs at an interest rate of 4.25% - 4.5%. The good news is that lower yielding CDs are maturing in 2005-06. The bad news is some 5-7% notes are going away as well.

Curt also addressed the issue of fees and feels the pay-as-you-go method is a better strategy. Year to date commissions of \$12,000 could go to \$14,000-\$15,000 when done. Pay-as-you-go is better because it could have been \$26,000 (fee basis).

VI. Total Health Management

Claim data review

- ✓ Jill reviewed the aggregated member report with trustees. HMA PPO plans are included. The report doesn't include Group Health or PacifiCare. Page 4 showed areas that could be targeted by Health Management. This report would work well with the Total Health Management should the trust choose to go that direction.
- ✓ Include an annual review of Total Health Management on the Trust Annual Calendar (February).

Program Launch and Implementation

- ✓ Only accessible through the PPO plans. It might be available from Pacificare and GH at a later date. Mercer is working with them.
- ✓ Jill commented that case management and the nurse line are two other areas for cost savings - not just the disease management portion.
- ✓ Timeline was mapped out. The original suggestion was for a two year plan but it was decided to do one year. Jill reviewed with group. She expressed the importance of getting the leadership behind the program.

Communication

- ✓ Communication is critical. The program will work differently for different people but to maximize participation, communication must be done well with a variety of tools available. An example would be adding the nurse line and the website to the new ID cards. Comments about how this service could benefit everyone both with their personal health as well as the possibility of reduced health costs should be included when communicating with staff.
- ✓ Need to create a slogan. It should be personal, something specific to Everett and the term "wellness" should not be included. It was suggested that maybe one of the art classes could create a logo.

Incentives

- ✓ Melanie is doing some research about incentives. She had a negative reaction to gift card and dollars in the pocket – need to be careful with the issue of gifts of public funds.
- ✓ It was suggested using raffles as an incentive with the possibility of having some carrier partners contribute items for the raffle (vendor gifting).
- ✓ Representatives or "champions" to promote the program could include principals and EEA reps. It was also suggested that perhaps an administrator, teacher or classified staff member could be a

champion. It would also be important to provide some recognition to the champions such as tickets to the Silver Tips, etc. Molly suggested using a pop-up to solicit champions. She said that Randi Seaberg, the new HR director, will be involved with the Total Health Management program and those interested in being a champion could notify her.

A motion was made and seconded that the Employee Benefit Trust commit to the Total Health Management program for a period of two to three years in order to contribute to better health for staff which could stabilize health care rates. Discussion followed. John expressed a concern about what would happen if we moved to WEA Blue Cross in the future. He also indicated that staff commitment is another concern. Mike asked about the timeline for presenting the plan. He suggested easing in to it and not stretching it out so long. With regard to the service provider change Jill said that staff can start with the program and then change providers should the trust decide to move to WEA Blue Cross. The motion carried.

VII. Consultant Report

Jill provided the consultant's report and briefly reviewed it with the trustees. The report summarized any remaining issues not previously documented that related to decisions and plan changes which will apply beginning January 1, 2006.

VIII. Other

Molly distributed the flier regarding open enrollment that was being sent to all staff on October 20th. In addition to the flyer, she said that information regarding open enrollment would be sent out weekly via e-mail pop-ups.

Mike again asked the question about the Benny Card. He highly recommends the Trust look at it for next year.

IX. Adjournment

The meeting was adjourned at 5:30 p.m.

Sincerely,

Betsy Selders
Secretary

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