

Everett School Employees Benefit Trust
Minutes of April 16, 2007
Board Room
3:30 pm

Attendance

Kay Nickel
Betsy Selders
John Morrill
Mike Gunn

Also Attending

Darla Van Duren
Sean White
Curt Haldorson
Randi Seaberg

Recorder

Susan Sacha

Absent

Molly Ringo
Sue McCann

I. Call to Order

Kay Nickel called the meeting to order at 3:35 pm.

II. Adoption of Agenda

The agenda was adopted as presented.

III. Approval of Minutes

Due to lack of a quorum, the February 26th minutes will be approved at the May 14th meeting.

IV. Financial Report

Darla distributed the financial reports for February and March and said that Curt would speak to the investments.

February 2007

- The fund balance increase was \$884,456 for the month with an overall increase for the year of \$1,590,497.
- The Trust received its annual \$550,000 payment from the District.
- January commissions from the consultants resulted in a credit balance of \$26,432 for February.
- HMA and THM were paid double payments (January and February) and claims for HMA, NMHC and ESI were similar to a year ago with prescriptions a little lower.
- The fund balance for the month is \$7,757,252 compared to \$5,693,006 a year ago.
- Overall assets for the fiscal year total \$8,921,252 compared to \$6,850,006 a year ago.

March 2007

- The fund balance increase was \$221,571 for the month with an overall increase for the year of \$1,812,067.
- February commissions from the consultants resulted in a credit balance of \$29,790 for March.
- No payments or invoices were received from HMA THM or Symetra.

- HMA claims were slightly lower than a year ago; NMHC – no payments and ESC claims were a little higher than last month with three payments instead of two for the month.
- The fund balance for the month is \$7,881,740 compared to \$5,835,531 a year ago.
- Overall assets for the fiscal year total \$9,045,740 compared to \$6,992,531 a year ago.

V. 3rd Quarter Investment Report.

Curt distributed and reviewed the projected monthly income and the bond maturity distribution with the trustees. He is working on filling out three to five year investments with short term CDs and GNMA investments. Interest rates are predicted to be pretty steady for the next seven years at around 5%. Curt said he felt it didn't make sense to put money into fixed rate investments with maturity dates further than 2011 due to the uncertainty in interest rates beyond that time. His goal is to keep enough money liquid (\$300,000 to \$600,000) for ongoing operational expenses.

Curt offered four tickets to the re-opening of the Seattle Arts Museum. The event is scheduled for May 15th. Interested trustees will notify Kay if they would like to participate.

VI. Begin Preliminary Discussion with Consultants on Plan Renewals

Paid Claim Experience

Sean reviewed the Paid Claim Experience report with the trustees. He said the recommended funding for January through March was pretty flat which probably reflected the movement from PPO1 and PPO2 to PPO3. The total plan was 68.2% of the recommended funding level, with an overall surplus of \$792,437.

Discussion about 2000 renewal.

Sean reviewed the 2008 renewal plan with trustees. Items reviewed included:

- HMA Self-Insured PPO Medical
- ESI Self-Insured Pharmacy
- Symetra Stop-Loss (*Sean will present information at the next meeting*)
- Group Health Fully-Insured HMO Medical
- PacifiCare Fully-Insured HMO Medical
- Metlife Fully-Insured Life and AD&D Insurance
- Standard Fully-Insured STD, LTD and EAP Insurance

Sean indicated that PacifiCare will probably want to change their name to United Health Care. This would mean some relatively minor changes to their plan. Discussion followed regarding vision providers in the PacifiCare plan. It was felt that PacifiCare needed to use clearer language in their plan description to show that the vision coverage is through VSP and that physicians listed in the VSP provider list need to be used in order for coverage to be provided. Sean will talk with PacifiCare and report back at the next meeting.

Discussion surrounding the length of time it takes for ESI to fill mail order prescriptions was held. Randi provided examples of lengthy delays. Sean and Randi will talk with ESI to see if the situation can be improved. They will follow up with the trustees at a future meeting.

Mike requested that Mercer review the maximum benefits payable under the voluntary and basic Life, AD&D, STD and LTD plans and make a recommendation to the Trust about whether these should be increased and what the corresponding rates would be. Sean will provide information on this at the next meeting.

Sean reported that cost trends in the industry have averaged 10 to 15% annual increases over the last few years in contrast to much larger increases before that time. Costs for the Trust have been consistent with these trends.

VII. Review Operational Manual

John asked about the rationale behind the requirement in the Trust Operations Manual, Section 110.4P which states that decisions or actions of the Trust require a quorum with "...at least 50% of those Trustees present representing the District". Kay will ask Melanie Curtice (Stoel Rives) for clarification on this section. No changes to the manual were proposed at this time. It was suggested that trustees bring any changes they want made to another meeting.

VIII. Quarterly EAP Report

Randi reported that 14 people used the service during this first quarter with several individuals used the service more than once. 36% of the referrals came from HR, 14% from a supervisor and 14% from the brochure. 64% of the users were women. The majority of use was for routine cases. No emergency cases were reported. Most of the issues involved relationships, family issues, stress and bereavement. Randi reported that there were no issues regarding job stress or job dissatisfaction. 45% of the contacts were referred to their regular medical providers. In order to keep staff aware of this service, Randi will provide employees and principals with brochures about the program when she meets with them.

IX. Quarterly THM Report

Randi reported that out of 2000 employees, about 300 users provided demographic information during the first quarter and 215 of those have taken the health risk assessment. Most of the responses were done during the initial implementation period although a brief surge of responses came during the last open enrollment period. 28% have accessed the information about the body mass index. Other areas accessed included fitness assessments, menopause, vitamins, life stages, toddlers and weight loss. Most people visited the site more than once. With regard to the nurse line, most callers were referred to their doctors or the emergency room. The annual THM review is scheduled for the next meeting. Randi may survey the Champions because she felt their input might help determine what direction to go in terms of increasing participation and use of the program. She will present information at the next meeting about what appropriate next steps in the program implementation might be.

X. Other

No items discussed.

XI. Review of Annual Calendar

Sean will attend the May meeting to present information on Symetra Stop-Loss, PacifiCare and Voluntary & Basic Life, AD&D, STD & LTD plans). A decision as to whether Sean needs to attend the June meeting will be made at the May meeting.

XII. Adjournment

The meeting was adjourned at 5:10.

Sincerely,

Michael T. Gunn
Secretary

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