

**Everett School Employees Benefit Trust**  
**Monday, April 30, 2012**  
**Minutes**

**Attendance**

Mike Gunn  
David Jones  
Susan Lindsey  
John Morrill  
Molly Ringo  
Betsy Selders

**Absent**

Randi Seaberg

**Also Attending**

Gail Buquicchio  
Jayson Davidson  
Jay Dyer  
Lynn Evans  
Keene Satchwell  
Darla Vanduren  
Arlene Vollema-Rich  
Sean White

**Recorder**

Kellee Newcomb

**Call to Order**

The meeting was called to order by David Jones at 4:05 p.m.

**Adoption of Agenda**

A motion was made by Betsy Selders and seconded by Susan Lindsey to approve the agenda as written. The motion passed unanimously.

**Approval of Minutes**

A motion was made by Mike Gunn and seconded by Molly Ringo to approve the minutes from the February 27, 2012 meeting as written. The motion passed unanimously.

**Financials**

**Monthly Financials**

Darla provided copies of the previously emailed February and March financials. She noted she has yet to find a shorter format to provide the financial reports to the Trustees. She reviewed the information with the group. A question was raised regarding the reimbursement check from Everett Public Schools in the amount of \$21,458.43 for money collected from the IRS to subsidize Cobra payments made by the Trust over the last year. Darla explained the Trust was required to subsidize Cobra payments and that Everett Public Schools received the rebate check from the IRS and then reimbursed the Trust. This action is now finalized and there will be no additional funds.

**Wellness Program Report – Gail Buquicchio**

The group congratulated Gail for receiving the national Wellness Program award. She said the employee wellness program was recognized as one of three school districts in the nation to receive a gold-level award in the annual 2011-12 School Employee Wellness Program Awards. Fifty-seven school districts from around the country submitted applications for the award. The program is sponsored by the Washington D.C. based Directors of Health Promotion and Education (DHPE) a membership association of high level professionals from national public health departments including the Center for Disease Control (CDC). Gail said the application process was challenging and took over 30 hours to extricate the information and data needed to complete the application.

The DHPE notified both the state governor and state superintendant of the gold-level award. Gail noted that as recipients of the award the Trust would receive a \$1,000 grant from the DHPE which they would need to determine how to spend.

Gail provided a quick recap of the March and April highlights of the Wellness Program. Betsy asked about the number of Wellness Challenge participants this year compared to last year. Gail

noted there are more participants this year. The Trustees discussed where to hold the recognition for the Wellness Program award presentation. Molly was asked to check with the superintendent.

#### **Consultant Report – Jayson Davidson**

Jayson noted that this would be the first report since revisions were made to the Trust's investment policy last year. He said the good news is the change in policy coincided with a good market and the Trust benefited.

Keene and Jay re-introduced themselves to the Trustees. Keene reviewed the account performance with the group and noted he anticipates the portfolio rates will be low through this unusual period in the market which could last until 2013. Jayson noted the only concern he would raise is the considerable remaining cash balance. With limited maturities it will likely be drawn down to the Trust's minimum levels by the first of the year.

The Trustees thanked Jayson, Keene and Jay for the information.

#### **Consultant Report – Sean White**

Sean provided a large medical claims paid report and reviewed it with the Trustees. At this time Sean feels the Trust is safe to terminate the stop-loss insurance. He also is monitoring the IBNR which is getting smaller and smaller each month. Darla noted the Trust agreed to pay stop-loss through March.

Sean provided 2013 renewal recommendations and reviewed them with the group. He noted Randi, Gail and other staff from human resources also provided recommendations for the report.

Sean reviewed the results of Mercer's annual survey. He noted health care costs have stabilized over the past few years. He explained a possible reason for the stabilization is due to employer increased deductibles or coverage reductions. Some employers may also be changing behaviors such as implementing health savings accounts and wellness programs. John asked about high deductible plans causing problems with other plans. Sean noted there is a little adverse selection but not as much as one might think. The wellness program trend is a big focus for employers and is definitely continuing based on the survey data.

Sean reviewed the 2012 health plan offerings with the group. He noted the district's employee contributions are significantly below what is seen in other districts.

Sean reviewed with the group upcoming mandates and responsibilities for 2012 and 2013. He noted the WEA and Group Health plans are not grandfathered plans. While there are not a lot of changes there are some requirements, such as notifying employees about health insurance exchanges and eligibility rules in March 2013. Next Sean reviewed recommended renewal strategies. One consideration for the Trust is a change in plan year from the current January 1 plan renewal effective date to October 1 of each year to coincide with the WEA's plan renewal effective date. The group discussed the pros and cons of this action. Most school districts align with the WEA plan year but not all. The group discussed this recommendation and noted the change could take place this year; however, it would be a lot of work. Molly said there were considerations in the bargaining agreement that would have to be agreed upon before a change could be made. The group discussed the history that prompted the initial change to the January 1 plan year. Melanie noted that in 2014 the Federal Health Exchange must be implemented and it will be required to be on the calendar year. After further discussion, there was consensus among the group to remain with the current plan year.

Also discussed was the possibility of including the Alliant Plus Group Health option. Sean will research this option and report back. Mike thanked Sean for the easy to read information in his report. He thought a year-by-year look at the coming changes might be helpful for employees. Sean said he could provide something like this in the future.

The move to the WEA has an impact on the Wellness Program. Sean reviewed the information and recommendations with the Trustees and said he is looking for direction on where the Trustees see the Wellness Program going in the future. Molly suggested the K-12 health care legislation should also be a part of this discussion. This item will be discussed at the next meeting. Sean will also provide preliminary financial projections, normally provided in August, at the May meeting.

### **K-12 Health Benefits Report**

Melanie provided a summary of Engrossed Substitute Senate Bill (ESSB) 5940 and reported that the legislature has established the following four goals for K-12 Health Benefits:

- Improved transparency of health benefit plan claims and financial data to assure prudent and efficient use of taxpayers' funds at the state and local level;
- Create greater affordability for full family coverage and greater equity between premium costs for full family coverage and for employee only coverage for the same health benefit plan;
- Promote healthcare innovations and cost savings, and significantly reduce administrative costs; and
- Provide greater parity in state allocations for state employee and K-12 health benefits.

Melanie indicated this will be a massive undertaking for the state. She and Sean discussed with the group the requirements and guidelines the bill establishes. Beginning December 31, 2013 the Office of the Insurance Commissioner (OIC) must submit an annual report to the Legislature with specific information and analysis on school district benefit plans. The Health Care Authority must submit a similar report to the Governor, Legislature and the Joint Legislative Audit and Review Committee by June 1, 2015. This report must include the development of a specific target to realize the goal of greater equity between premium costs for full-family coverage, employee only coverage, and review of the three-to-one ratio of employee premium costs, which was retained. They must also review the advantages and disadvantages to the state, school districts, and school employees of various approaches to consolidate purchasing of school employee health benefits and options to achieve the legislature's goals.

Because school districts will be contacted by the OIC requesting information for their report, Molly suggested it would be beneficial to keep as much financial and enrollment data as possible for the anticipated information request. Melanie agreed. There will be a lot of work to get the data in the required format. The group discussed how this legislation might affect the WEA. Melanie will watch for more information and report back to the Trust.

The group discussed providing communication to employees with information on how ESSB 5940 will affect them. Molly will draft a letter and provide it to the Trustees, Melanie and Sean for feedback. Once the letter is finalized it will be provided to employees electronically.

### **Quarterly EAP Report**

Randi did not attend the meeting.

### **Review Operational Manual**

Melanie reviewed the proposed revisions with the group and noted no action was required. The revisions will be implemented in the Trust agreement appendix.

### **HIPAA Policy Changes – Molly Ringo**

Molly noted that Melanie and Howard helped draft the proposed HIPAA policy revisions. Melanie reviewed the changes with the group. She noted the Trust has essentially been engaged in these proposed practices since January. She suggested it was a good idea to conduct yearly HIPAA training. A motion was made by John Morrill and seconded by Mike Gunn to adopt the proposed revisions to the HIPAA policies and procedures. The motion passed unanimously.

**Review of Annual Calendar & Meeting Calendar**

The group reviewed proposed agenda items for the May meeting. Darla indicated she was doing some investigating on the current Trust auditor as a result of some questions raised by the state. She is looking at a peer review to determine if Toyer, Dietrich and Associates are still the best fit for the ESEBT. She will report back at the next meeting.

**Other**

The group discussed how the electronic meeting option worked for them. They agreed, for the most part, that the electronic option worked well but might still like to have some documents, such as renewal plans, in hard copy for ease of review.

John reported that he has asked Kim Mead to appoint a replacement for him on the Trust. He is looking forward to an easy last year before retirement and notes it is time for him to move on. His last meeting will be when the renewal is done. The Trustees stated they will miss John and his positive influence.

**Adjournment**

A motion was made by Susan Lindsey and seconded by Mike Gunn to adjourn the meeting. The meeting was adjourned at 5:59 p.m.

Sincerely,

John Morrill  
Secretary

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