

**Everett School Employees Benefit Trust**  
**Wednesday, August 24, 2016**  
**Minutes**

**Attendance**

Gregg Elder  
Adam Goldstein  
Susan Lindsey  
Jeff Moore  
Molly Ringo  
Kelly Shepherd

**Absent**

**Also Attending**

Cris Boskett  
Angie Erickson  
Shelly Henderson  
Aanya Lee  
Randi Seaberg  
Darla Vanduren  
Sean White

**Recorder**

Kellee Newcomb

**Call to Order**

The meeting was called to order by Adam Goldstein at 2:04 p.m.

**Adoption of Agenda**

A motion was made by Jeff Moore and seconded by Susan Lindsey to adopt the agenda as written. The motion passed unanimously.

**Approval of Minutes**

A motion was made by Kelly Shepherd and seconded by Jeff Moore to approve the minutes from the June 15, 2016 and August 9, 2016 meetings as written. The motion for the approval of the June 15, 2016 minutes passed unanimously. The motion for the approval of the August 9, 2016 minutes was passed by a majority vote of the Trustees. Jeff Moore abstained as he did not attend the August 9, 2016 meeting.

**Trust Audit Update**

Darla reported that Bruce Dietrich is preparing to begin the annual audit of the Trust. The June 2016 financials are currently under review for the audit. She will keep the Trustees informed of the progress.

**Wellness Program Update**

Shelly shared the August Wellness Program report with the group. She shared that Weight Watchers will no longer provide the numbers of pounds lost by district staff as they claim it is a HIPPA violation. Shelly plans to continue to discuss this change with them and hopes to find a way to measure staff success with this program.

**Consultant Report**

Sean and Aanya presented the Trustees with a 2017 renewal report and reviewed the information with the group. If the Trustees choose to continue with the current carrier options and with no changes in contributions, Mercer projected a deficit for 2017 of \$2.8 million. This would lead to a projected yearend reserve of \$4 million at the end of 2017 or 1.7 months of expenses. The group reviewed the alternate contribution scenarios.

Mercer received alternate proposals for medical and prescription coverage. Aetna provided several plan design changes to consider. It was noted that UHC reduced their initial 2017 renewal rate from 15% to 9.9% in hopes of retaining the Trust's business. UHC also added required benefit modifications related to Applied Behavior Analysis coverage for the treatment of autism, and two wellness options for the Trust to consider. Aanya highlighted the other renewal proposals with the group.

For 2017, Delta Dental will have a rate decrease of 1.5%. GHC will increase their rates by 5.64%. MetLife long-term disability is requesting a rate increase of 28% due to poor experience. As expected due to a request filed last year, UNUM which provides long-term care coverage, has filed for a 25% increase in 2017. Current enrollment would affect eleven employees. If enrollment drops below ten, then the group coverage would terminate and those enrolled would be switched to individual coverage with the same rates.

The Trustees reviewed the primary requirements of ESSB 5940, including the current status for the plans offered by the Trust and potential next steps. Sean shared the primary decisions to consider. The group reviewed the 2017 status quo budget and the summary of contribution scenarios. The group discussed the increases and the possibility of increasing employee contributions.

The group reviewed the proposed comparison of UHC and Aetna. It was noted that Aetna reduced their original rate offer from their presentation to the Trust on August 9, 2016. They are now offering a 6.8% rate increase over the current UHC premiums with a cap in year two of 15%. The group discussed the details of Aetna's proposal and noted it would be a savings to the Trust of \$400,000.

The group reviewed the scenario of moving back to the WEA medical plans. It was noted that plan offerings with the WEA have changed since 2014 and coverage would not be as good as it was in the past. There would be an additional estimated increase of \$2,212,703 to move back to the WEA, from the current 2017 renewal with UHC and GHC.

The Trustees reviewed potential disruption possibilities with a move from UHC to Aetna. Sean said overall the disruption would be minimal. The group shared positive comments they had heard from colleagues and/or other districts who have Aetna. Aetna is a trusted vendor in the market, is offering lower costs than UHC and customers generally have less customer service issues. The group said they were impressed that Aetna came back with a lower rate renewal to match UHC's rate reduction.

The Trustees asked for comments from the audience members. Association representatives who attended the meeting asked questions regarding the changes and potential disruption. Sean said he does not anticipate issues with a move to Aetna but can't guarantee that there won't be some. He said he felt the client representatives at Aetna would do everything they could to make things right and to help the district transition. The Trustees asked how the benefits team felt about a potential move from UHC. They were encouraged about the potential of working with a vendor who has knowledge of school districts, and they are offering a better price. The fatigue of UHC customer service continues and may not get better with a move to another vendor. However, UHC's promises regarding customer service did not come through.

The Trustees agreed cost matters for employees and if a move to another vendor can offer cost savings and the hope for better customer service to the meet the needs of the employees it needed serious consideration. A motion was made by Gregg Elder and seconded by Kelly Shepherd to adopt Aetna as the new carrier for the 2016-17 school year. The motion passed unanimously. Aetna is offering two COB options at no additional cost. The Trustees discussed which option would be the least disruptive to employees. A motion was made by Kelly Shepherd and seconded by Susan Lindsey to select Aetna's Option 2: establish a PPO with no member cost for in-network coverage. The motion passed unanimously. The benefits team will reach out to the employees affected.

The group discussed past practices for subsidizing employee rates and reserves. The Trustees would like to do the best they can for employees, while also establishing how the Trust compares to the modern world and being progressive with plan design deductibles. Sean shared which of the options offered by the Trust are out of the market norm and which are in line with the norms. He asked the Trustees if they want to continue to offer the current level of choice.

The group discussed what would happen if option 1 (higher deductible) was eliminated. Sean said he would bring revised option scenarios to the next meeting. He can also get claims experience by plan. He shared the types of scenarios he was thinking of.

### **Legal Counsel Representation**

As was previously shared with the Trustees, Melanie Curtice has left Stoel Rives and is now employed with Perkins Coie. The Trustees requested to go into executive session to discuss this issue.

### **Executive Session**

The regular meeting was adjourned to executive session at 3:52 p.m. to discuss the Trust's legal representation. A special meeting was added by the Trustees on Wednesday, September 28, 2016 to continue the discussion regarding legal representation for the Trust.

### **Adjournment**

The regular meeting was reconvened and immediately adjourned by Adam Goldstein at 4:10 p.m.

Sincerely,

Jeff Moore  
Secretary

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