

Everett School Employees Benefit Trust
Wednesday, September 14, 2016
Minutes

Attendance

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

Absent

Also Attending

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

Recorder

Kellee Newcomb

Call to Order

The meeting was called to order by Adam Goldstein at 4:00 p.m.

Adoption of Agenda

The group discussed changing the order of the agenda to accommodate the schedule of a Trustee who needed to leave early for another meeting. A motion was made by Jeff Moore and seconded by Kelly Shepherd to adopt the agenda as modified. The motion passed unanimously.

Approval of Minutes

A motion was made by Gregg Elder and seconded by Kelly Shepherd to approve the minutes from the August 24, 2016 meeting as written. The motion passed unanimously.

Trust Audit Update

Darla explained the process for the audit. She said so far everything looks great and she is not anticipating any issues. Darla will provide the final audit report for Trustee approval at the October 19, 2016 meeting. She will contact the Trustees if there are any concerns. Darla will also schedule Bruce Dietrich to attend the October meeting. The Trustees discussed adding information in the superintendent's Friday Report to the school board regarding the audit once it is approved.

Wellness Program Update

Shelly reviewed the monthly Wellness Program report with the group. She shared an issue regarding exercise instructors and district required liability insurance. The Trustees discussed the concern and asked Shelly to follow up with Darla regarding past practice and district requirements.

Consultant Report

Sean provided the Trustees with 2017 Employee Contribution Scenarios. He noted that ACA affordability was not addressed in these scenarios but would be discussed at a future meeting. Sean talked about the factors used to develop the scenarios provided and reviewed the information with the group.

Six employee contribution scenarios were provided with the move to Aetna. Sean reviewed the information with the group. The group discussed the requirement to have the equivalent of three months of expenditure per Trust Policy 220, Investment Guidelines, and what was done last year. They talked about increasing rates allocations which are not keeping steady with medical increases and the state allocation which has not increased.

To help focus their decision making the Trustees reviewed the scenarios and chose those that they would like to exclude. After discussion, scenarios 1, 3 and 5 were eliminated. The Trustees discussed the remaining scenarios. They felt it was important to try to be fair for all employees but to also be cost effective. They discussed what they wanted to target for reserves. It was noted that the Trust's policy would have to be revised if the Trustees chose to deviate from the current three months' reserve. Sean and Aanya discussed the risk level of changing the reserve and provided examples for two months of reserve and for two and a half months of reserve.

The Trustees discussed higher deductible plans and whether to increase those at a higher rate. Aanya reviewed last year's movement in plan changes. Sean talked about the level of migration that might occur based on increases in deductibles. Movement from the higher deductible plans will save the Trust money but it is also an area that they must pay attention to. The Trustees provided feedback on what percentages they would like to change. They noted the brutal facts related to health care cost increases and the need to share those facts with employees, including what may come in the future with the legislature.

The Trustees shared their feelings on whether to increase percentages the same for all plans or to vary the rates. They talked about comments made from single employees without children who are not happy that they are subsidizing others with families. With the move to Aetna, the group discussed changing the naming of the Aetna plans. They felt this might help employees pick different plans and not assume the Aetna Plan 1 was equivalent to past plans with the same numbers. Concern was expressed regarding switching companies and then creating a whole different structure. Some felt this might be too much change all at once while others felt it would be a good time to simplify choices for everyone. The group agreed to change the plan names with the move to Aetna. The Trustees also discussed whether to increase the rates for plans that would be considered Cadillac plans or to eliminate them altogether.

The Trustees discussed whether to consolidate plans to make them simpler which would help employees make better choices with their money. A motion was made by Kelly Shepherd and seconded by Molly Ringo to:

- Consolidate Plans 5 and 6 into Plan 4;
- Increase the employee contribution rate for Plan 1 by 18%;
- Increase the employee contribution rate for all other plans (including Group Healthcare) by 12 %; and
- Establish a Plan 7 that meets the requirements of the affordability act.

Revisions to Trust Policy 220 will be provided to the Trustees for first reading at the October 19, 2016 meeting. The Trustees agreed to not carry over the current naming conventions but to take a totally fresh look. Sean shared some of the plan naming conventions used by other companies. The Trustees liked the idea of changing the plan names and felt that it would encourage the opportunity for employees to further review the new plans. The Trustees will leave the naming of the new plans in the hands of the benefits team. Also discussed was whether or not to require employees to sign up again rather than do an automatic roll over. The Trustees said they want to encourage active enrollment. Sean will work with benefits team to come up with names and then let the Trustees know the choices.

The Trustees discussed a communication plan for employees regarding the change to Aetna. The benefits team will draft a communication and share it with the Trustees before sending it out to employees. Also discussed was the coordination of benefits for dual covered employees. It was agreed that they must have the same plans. The administrative burden of this benefit option will fall on the district. Sean said Aetna is more than willing to meet the needs of the families. It was determined that employees who want this option may only opt in during open enrollment.

Upcoming Agenda Items

- September 28, 2016 special meeting
 - ✓ Legal counsel representation
- October 19, 2016 meeting
 - ✓ Plan documents are finalized between the Consultant and Human Resources (Sean/Randi)
 - ✓ Discuss ACA employer shared responsibility liability assessment analysis
 - ✓ Open enrollment update (Randi)
 - ✓ Annual Trust audit approval (Darla)
 - ✓ Proposed revisions to Trust Policy 220 (first reading)

Adjournment

The meeting was adjourned by Adam Goldstein at 6:05 p.m.

Sincerely,



Jeff Moore
Secretary

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