

**Everett School Employees Benefit Trust**  
**September 20, 2010**  
**Minutes**

**Attendance**

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

**Absent**

**Also Attending**

Gail Buquicchio  
Randi Seaberg  
Darla Van Duren  
Arlene Vollema-Rich  
Sean White

**Recorder**

Kellee Newcomb

**Call to Order**

The meeting was called to order by Susan Lindsey at 4:00 p.m.

**Adoption of Agenda**

A motion was made by David Jones and seconded by Mike Gunn to approve the agenda as written. The motion passed unanimously.

**Approval of Minutes**

A motion was made by John Morrill and seconded by Mike Gunn to approve the minutes from the September 3, 2010 meeting as written. The motion passed unanimously.

**Financial Report**

Darla provided a copy of the draft Everett School Employee Benefit Trust Independent Auditor's Report and Financial Statements for the year ended June 30, 2010 for the Trustees review. Feedback was provided and a revision was made to the banking information regarding Smith Barney. Darla will finalize with the auditor and provide the final report at the next Trust meeting. She will also provide the July and August financials electronically as soon as they are finalized, as well as bring a hard copy to the next meeting.

**Wellness Report**

Gail provided an update regarding district Wellness offerings thus far. She has had good response for the Walktober campaign and the flu shot clinics. There has been some response regarding the Fit Pass but Gail is hoping interest will increase. She has once again aligned some district activity offerings with the Everett Parks and Recreation Department, and met with the American Cancer Society who conducted a workplace wellness assessment for the district. While there were a few recommendations to address, overall the district scored high. Gail will have more information next month regarding Wellness Program participation, but so far things are off to a good start.

**Consultant Report**

Sean provided the group with information to finalize renewal decisions for 2011. He reviewed the information with the group. Based on the decisions made by the Trustees at the September 3, 2010 meeting, Sean provided a revised budget incorporating the changes. He explained some changes. PPO plan contributions were slightly reduced due to incorporation into the accrual rate development of the projected savings from the pharmacy programs. Group Health contributions were slightly lower based on lower premiums received from Group Health reflecting benefits on a grandfathered basis (as defined within Health Care reform regulations.) PacifiCare contributions were also slightly lower reflecting

lower premiums received from PacifiCare on a 2% commissions basis. This was lower than what Mercer calculated in the model presented at the September 3, 2010 meeting.

Additional issues were presented regarding part-time employee contributions. Using the directive of the Trustees at the September 3<sup>rd</sup> meeting, Mercer analyzed the data to develop final employee contribution requirements using historical methodology under which contribution requirements for employees with an FTE below 1.0 are increased by the reduction in state funding due to their FTE status. Sean explained that applying the historical methodology results in reductions in Trust subsidy toward coverage for certain FTE tiers by more than 5%. Plans would lose their grandfathered status if this approach were followed, which would require additional changes to plans such as the inability to restrict dependents to age 26 coverage only to those dependents without access to other employer-sponsored coverage; covering preventive care at 100% (no copayments allowed); equalizing benefits for Emergency Care between in and out-of-network; and establishing internal and external appeals procedures. Sean stated that it may be in the Trust's best interest to maintain the grandfathered status for 2011 which would provide more time for regulation clarification to be released and for the market to respond in a way that would help the Trust meet the requirements. The estimated annual cost for this, assuming no change from the current enrollment patterns, would be about \$89,000. The group discussed the information provided. A motion was made by Molly Ringo and seconded by John Morrill for final approval for the adjusted rate schedule as presented by Sean for 2011 employee contributions to maintain grandfathered status. The motion passed unanimously.

Sean reviewed the Mind and Body Weight Management Program with the group. Per the directives of the Trust at the September 3<sup>rd</sup> meeting, Sean discussed the Trustees' request to implement a copayment and include a cap of 50 participants for the program. Sean reported that Mind and Body were not willing to support this request due to the administrative costs associated with program set-up and concerns regarding creating a too large a barrier for participation. They did, however, offer two alternatives for the Trust's consideration. They would be willing to cap participation at 100 enrollees and limit participation to those with a BMI of 27.5 or above. They are unwilling to administer or support a copayment; however, they have agreed to reduce the set-up fee under either alternative from the initial \$5,000 to \$2,500. The group discussed the proposal. A motion was made by Molly Ringo and seconded by Betsy Selders to pilot the Mind and Body Weight Management Program for 2011 and evaluate its effectiveness in the spring. The motion passed unanimously.

Sean reviewed the vision options for PacifiCare enrollees. The premium rates and plan designs are competitive to what is seen in today's market. The group discussed the information provided but decided not to implement the option at this time.

### **Open Enrollment**

Randi explained the plan for this year's open enrollment correspondence. She stated a letter is being drafted on behalf of the Trustees and will be provided for their review prior to distribution. The group discussed the importance of reminding employees of the time limitations and grace period eliminations for FSA plans. Randi will talk with the vendor regarding mailing information reminding employees of the changes. Weekly reminder emails with targeted information will be sent to employees during open enrollment. Enrollment changes will be processed online again this year. Open enrollment begins on

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October 20 and ends on November 15<sup>th</sup>. Printed information will be provided to schools to be distributed to employees the Friday prior to the start of open enrollment.

**Review of Annual Calendar & Meeting Calendar**

Jayson Davidson will attend next month's meeting.

**Adjournment**

The meeting was adjourned at 5:05 p.m.

Sincerely,

David Jones  
Secretary