

Everett School Employees Benefit Trust
Monday, February 27, 2012
Minutes

Attendance

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

Absent

Darla Vanduren

Also Attending

Gail Buquicchio
Randi Seaberg
Sean White

Recorder

Kellee Newcomb

Call to Order

The meeting was called to order by David Jones at 4:02 p.m.

Adoption of Agenda

A motion was made by Mike Gunn and seconded by Betsy Selders 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 January 30, 2012 meeting as written. The motion passed unanimously.

Financials

Monthly Financials

January financials were previously provided electronically to the Trustees. The group reviewed the financials and with no questions or concerns, a motion was made by Molly Ringo and seconded by Betsy Selders to adopt the January 2012 financials as written. The motion passed unanimously.

Balance Sheet – The fund balance for January 2012 decreased \$(830,212) resulting in an overall decrease for the fiscal year of \$(2,291,916). The consultant fees credit balance remains at \$1,798. Corporate obligations (CD's) had purchases of \$600,000. Government obligations pay downs were \$1,972.

The fund balance comparison was \$8,264,547 compared to \$10,996,022 in January 2011. Overall assets for this fiscal year total \$8,992,184 compared to \$12,338,022 a year ago.

The Statement of Operations and Fund Balance indicate payments: to Magellan Behavior in the amount of \$9,724 for the quarterly fees (the fee has been reduced by (\$4,358) due to the adjustment in benefits); to the Wellness program in the amount of \$60,526 for expenses for the month (\$59,618 of this expense was for the Wellness Challenge debit cards); to Stoel Rives for ongoing legal services for November in the amount of \$3,138; for the renewal of Liability Insurance through Marsh (Chubb) in the amount of \$4,051; for miscellaneous expenses in the amount of \$30; and for office supplies (ESEBT receiving stamp) in the amount of \$53.

Actual HMA claims for the month were \$651,816 and actual ESI claims were \$91,548 (-\$1,138.56 rebate check). HMA claims were \$198,407 less this January than January 2011. ESI claims were \$131,420 less this January than January 2011. Overall HMA claims this year were \$749,636 less than in 2011 and overall ESI claims were \$131,420 less this year than in 2011. This year's claims are \$35,311 less than in 2011.

Things to note:

- Two refund checks from Sun Life were received totaling \$100,138.65.
- A rebate check from ESI was received in the amount of \$1,138.56.
- Darla has started the process of offsetting the IBNR liability against the HMA and ESI claims. For the month of January the offset is \$743,364 (\$651,816 for HMA and \$91,548 for ESI).

Wellness Program Report – Gail Buquicchio

Gail provided a monthly report and reviewed the information with the group. She commented that participants seem much more engaged in the Wellness Challenge this year. She is pleased with how smoothly the debit card rewards to staff went; not only in the distribution, but also the purchase of the cards. Despite a few questions and concerns, staff seem happy with the reward and it has been a motivator to some to enroll in this year's Challenge.

The Weight Watchers at Work program continues to do well. To date the groups have collectively lost over 800 pounds! Gail asked the Trustees if they would like her to continue providing monthly reports or would they rather move to quarterly reports. The group discussed the options of monthly, bi-monthly or quarterly reports but agreed they would like to continue with monthly reports.

Gail provided the Trustees with the results of the Wellness Challenge Post Program Survey and a 2011 Pre-and Post-Program Survey Cohort Report. David noted three areas that did not score as strongly as the rest. He asked Gail if she was doing anything differently as a result of these scores. One of the areas related to staff coping with stress and Gail noted the areas on the Wellness website available to staff for stress management. Also, April is stress awareness month and the Wellness program will offer stress management classes for staff. If these go well, additional classes may be offered. Blood pressure is another area that did not receive strong scores. Gail provided information on how she is addressing this with staff. The other area related to learning something valuable from the telephone health coaching sessions. As a result, the telephone health coaching sessions are not being offered in the 2012 Wellness Challenge.

Consultant Report – Sean White

Previous Year's Medical Claim Data

Sean provided a Paid Claims Experience Report on combined medical, prescription and vision plans and reviewed it with the Trustees. This will be the last report of this kind as a result of the move to the WEA Insurance plans. He noted claims costs increased 4.3% and total plan costs increased 6.3%. Final results for the 2011 plan year look good and are closer to the recommended budget than the year before. He noted the move to the WEA did result in cost savings for 2012.

Sean reviewed the January through December 2011 Sun Life stop-loss report with the group. He will provide an update next month; however, there is not a lot of large claim activity at this time and it will continue to slow down as we go forward.

IBNR Mid-Year Review

Sean commented that he and Darla have talked and agreed it does not make sense to conduct a mid-year review at this time. Sean provided a report on large medical claims paid in January 2012 and talked with the Trustees about the run out which they will continue to monitor. January paid run-out claims represented just under 50% of the December 31, 2011 IBNR, in line with expectations. Some questions and concerns were raised regarding the high cost of prescription drugs. Sean said this is a big issue for the industry overall and planning for and managing specialty drug costs is a serious issue for the industry.

Trust Appeal Process

Randi added an item to the agenda related to the Trust appeal process. She said the benefits office has been contacted by an employee asking about a denied claim and the process for appealing to the Trust. Randi said they are currently working with the employee to see if they can assist with the denied claim without an appeal to the Trust; however, she wanted to clarify the appeals process timeline if the employee needs to appeal. Sean thought that HMA has a 12 month run out and that they will process against the plan agreement for 12 months. Molly reviewed Trust Policy 410.1 with the group which states, the appeal must be made on the Final Appeal Form within 180 days of the district's notification of denial or else the claimant loses the right to appeal. Sean will confirm with HMA that their processing of appeals is part of the timeline.

David asked how things are going with the new provider. Randi noted that Premiera continues to be very helpful and everything seems to be going smoothly.

HIPAA Policy Changes – Molly Ringo

Molly talked with the group about the change in the medical insurance resulting in the need to update the Trust's HIPAA policies. Revisions were prepared by Melanie Curtice and Howard Bye of Stoel Rives. She briefly reviewed the changes with group. Because the other Trustees had not reviewed the information, this item will be postponed to the next meeting. Copies of the proposed revisions will be provided to the Trustees electronically.

Review of Annual Calendar & Meeting Calendar

The next meeting is scheduled for March 19th which conflicts with elementary school parent conferences. To accommodate everyone's schedules, and because March often has no substantive agenda items, a motion was made by Molly Ringo and seconded by Betsy Selders to cancel the March meeting. The motion passed unanimously.

Other

Molly asked the Trustees, with the efforts to provide communications in advance of the meetings, if they wanted to have extra hard copies at the meetings or if the electronic communications were sufficient. The group discussed the best way to receive materials whether it is electronic or printed copies. Molly suggested that with greater electronic capability the Trustees could use electronic means, such as a net book. This would allow for review of documents prior to the meeting so Trustees would not be looking at the information cold.

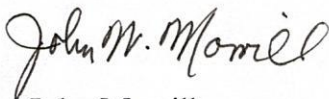
A suggestion was made to provide the Trustees with access to an electronic location that would house all meeting information, as well as policies, minutes, financials, etc. Molly and Kellee will explore this option. This item will be continued at the next meeting. Hard copies of the minutes and financials will be provided at the next meeting and will continue until there is an official change to the current process.

John commented that possibly as early as tomorrow the Senate may pass the K-12 health care consolidation bill. The WEA is working to encourage legislators not to pass the bill; however, it looks as though it has enough votes to pass in the Senate. The WEA will now focus their efforts on members of the House of Representatives. Sean commented that he knows of several school districts who are reaching out to their Representatives asking that they not vote in favor of the bill.

Adjournment

A motion was made by Molly Ringo and seconded by Betsy Selders to adjourn the meeting. The meeting was adjourned at 4:39 p.m.

Sincerely,



John Morrill
Secretary

kn