

Everett School Employees Benefit Trust
Monday, October 24, 2011
Minutes

Attendance

Mike Gunn
David Jones
Susan Lindsey
Molly Ringo
Betsy Selders

Absent

John Morrill

Also Attending

Rene Boswell
Gail Buquicchio
Randi Seaberg
Darla Vanduren
Sean White

Recorder

Kellee Newcomb

Call to Order

The meeting was called to order by David Jones at 4:01 p.m.

Adoption of Agenda

A suggestion was made by Molly Ringo to move agenda item, Trust Support, to executive session. The Trustees approved this request unanimously.

Introduction of Representatives from Aon Consulting and Premera

Randi introduced Kathy Delano, Senior Consultant with Aon Hewitt; Gilda Gilbert, Manager with Premera Blue Cross; and Susan Ramstead Account Executive with Premera Blue Cross. She stated they have been very patient and helpful during this transition to the WEA benefit plans.

The representatives explained that they have been working directly with district staff during their visits to schools and offices. During their visits they have received very favorable responses from employees regarding the Trust's decision to move to the WEA benefit plans. They have received the usual questions from staff regarding benefit coverage and they work with staff members to find the best plan that will fit their needs. The Trustees thanked the representatives for coming to the district and spending time with employees.

Cathy provided the group with information on the WEA's Select Medical Plan 5-year rate change history and the WEA rate stabilization fund. She explained the WEA decision tree and how recommendations are made to the WEA Board of Directors. She stated it is important to keep in mind that input is always welcome and she can connect the Trustees to the appropriate committee member. She also explained that Everett Public Schools' benefit year is different from the WEA's. WEA benefit plan renewals will come out in June and benefit rate changes will go into effect in October.

Questions have been raised regarding the ESEBT Wellness program and the WEA's (Premera uses WebMD). Kathy stated a meeting will be arranged soon with the WEA and Gail to discuss how they can work together. Molly asked about the possibility of Wellness data specific to Everett employees being available to the Trust. Kathy explained that because of the number of people and various sizes of school districts, the WEA cannot provide certain data. Molly asked that, if possible, the Trust would like to have the data even though WEA has not provided it in the past.

David thanked the representatives for coming and the service that they are providing to Everett Public Schools employees.

Approval of Minutes

A motion was made by Susan Lindsey and seconded by Betsy Selders to approve the minutes from the September 19, 2011 meeting as written. The motion passed unanimously.

Financials – Darla Vanduren

Darla provided the financials for July, August and September 2011. She combined all three months into one summary which she reviewed with the Trustees.

Balance Sheet – The fund balance for all three months decreased: July \$(316,966); August \$(375,365); and September \$(387,817) resulting in an overall decrease for the fiscal year of \$(1,080,148). Corporate obligations (CD's) had sales: \$95,000 in July; \$190,000 in August; and \$95,000 in September. Government obligations pay downs were: \$5,726.22 in July; \$3,059.06 in August; and \$4,745.91 in September. Government obligations sales were: \$1,000,574.22 in August and \$500,000 in September. Darla noted that some of the obligation amounts are maturities, not sales. There was a reduction in prepaid expenses as of June 30, 2011 in the amount of \$70,531. Prepaid expenses were reduced to: \$60,231 in July; \$58,519 in August; and \$18,667 in September.

The fund balance comparison for July 2011 was \$9,496,135 compared to \$12,644,847 in July 2010. The comparison for August 2011 was \$9,120,770 compared to \$12,409,326 in August 2010. The comparison for September 2011 was \$8,732,953 compared to \$12,263,316 in September 2010. Overall assets for this fiscal year total \$10,203,953 compared to \$13,605,316 a year ago.

The Statement of Operations and Fund Balance – indicates payments to Alere Wellbeing for 2 Quit for Life and 5 Mind & Body Programs. \$14,082 was paid to Magellan Behavior for this quarter EAP services and \$4,388 was paid to HealthForce for the Wellness Challenge. A total of \$1,404 was paid towards Wellness program expenses for the fiscal year. Audit fees in the amount of \$1,199 were paid to Moss Adams and \$2,390 to Dietrich/Toyer. Bi-annual regulatory fees were paid to the Office of Financial Management in the amount of \$2,074.97. Bank fees for the fiscal year were \$1,599. \$4,553 was paid to Becker Capital for investment fees this quarter, and \$10,827 to Stoel Rives for ongoing legal fees thru July. \$68.65 was paid for snacks for the August 29, 2011 and September 19, 2011 meetings; \$2,813 for printing, envelopes and postage for 2 Trust mailings; and \$8,750 was paid to Hyas Group for consulting fees for 2 quarters.

HMA claims were \$570,551 more this July than July 2010; \$201,895 more this August than August 2010; and \$47,466 more this September than September 2010. ESI claims were \$60,557 less this July than July 2010; \$2,329 more this August than August 2010; and \$4,353 less this September than September 2010. Overall HMA claims this year were \$819,912 more than in 2010 and ESI claims were \$62,581 less this year than last 2010.

Things to note: \$39,416.85 was received from ESI for a quarterly refund, and multiple checks were received from Sun Life totaling \$422,728.14.

Molly thanked Darla for providing the level of detail in the financial summary. However, she wondered if Darla needed to read the information to the Trustees at the meetings. The group discussed options and asked Darla to think about other possible ways to provide a more abbreviated summary for the Trustees. Darla talked about why she provides this level of detail and suggested she could send out the summary at the same time she sends out the financials.

Darla provided the Trustees with an Investment Summary Report from Becker Capital Management. She said it was interesting reading about current trends and how they affect the Trust's dollars. Jayson Davidson will attend the November meeting to discuss the Trust's investment policy.

Trust Audit – Darla Vanduren

Darla reported that she has worked with Toyer, Dietrich and Associates to prepare the final Trust Audit. A motion was made by Molly Ringo and seconded by Betsy Selders to accept the audit report from Toyer, Dietrich and Associates. The motion passed unanimously.

Wellness Program Report – Gail Buquicchio

End of the Year Wellness Program Report

Gail provided a PowerPoint presentation for the 2010-11 End of Year Wellness Program report. She reviewed the information with the group including a Zoomerang survey after the 31-day challenge; a spring cleanse and cultivating calm campaign; the in-house *Wellness Matters* newsletter; wellness grants; data collection and data sources; and participation rates. There has been at least 50% participation in 18 sites/schools which is improved from the previous year.

Gail talked about the Health Risk Assessment results and the district's overall wellness score being 72. She talked about the Wellness Challenge and the inspirational success stories she has heard. Gail is seeing a lot of grass roots ideas at different sites and although there are still some naysayers, there are also many inspiring and positive responses.

American Heart Association 2011 Fit-Friendly Award

Gail was congratulated on receiving the American Heart Association 2011 Fit-Friendly award. She talked with the Trustees about the award ceremony. She also applied for the Golden Apple award through Healthy Work Site Summit. Western Washington University came in first and Everett Public Schools came in second. However, she noted that Everett Public Schools was the only public school district to receive an award.

Consultant Report – Sean White

Sean provided the Trustees with a Paid Claims Experience report with information on self-insured medical claim activity (including prescriptions) for the first three quarters of the 2011 plan year. He reviewed the information with the group. Sean noted that the loss is quite high. The Trustees wondered if the increases may be due to letters sent to benefit eligible employees regarding potential rate increases. Sean indicated it might be due to various things and it was something to pay attention to in moving forward.

Sean presented the Trustees with the proposed budget for 2012-13. Due to the pending renewal decisions that Sean had previously provided to the Trustees, the group agreed to wait to approve the budget until after reviewing the pending renewal decisions.

Regarding Life, AD&D, LTD, and STD, a motion was made by Susan Lindsey and seconded by Mike Gunn to maintain the current coverage with MetLife and Standard. The motion passed unanimously. Regarding the NurseLine and Health Advocacy, a motion was made by Susan Lindsey and seconded by Mike Gunn to not fund the Health Advocate Program as a replacement for the terminated NurseLine, because employees will have the option of similar services provided through the newly-adopted WEA Premiera plans at no additional cost. The motion passed unanimously.

Another area to review was the Mind and Body weight management program. Gail commented that the Mind and Body program has not been providing great results. Her recommendation would be to limit Mind and Body and provide a subsidy for Weight Watchers to make it more affordable for employees. The group discussed this option and how it might affect current users. A motion was made by Betsy Selders and seconded by Susan Lindsey to limit the Mind and Body program eligibility and increase the Weight Watcher program subsidy. The motion passed unanimously.

Regarding the Wellness Web Portal, Sean reported that the current pricing is on a per employee per month basis and participation has been lower than expected. He stated that Health Force has agreed to adjust pricing to a per registered user per month format. Current participation levels at 700 registered users will reduce the annual cost by \$10,000. Participation exceeding 866 registered users will increase the annual cost from the current level. A motion was made by Molly Ringo and seconded by Betsy Selders to convert the Wellness Web Portal pricing to the per registered user per month pricing. The motion passed unanimously.

Regarding the Health Risk Assessment (HRA), the contract ends at the end of this year. The options are to replace the Wellsource HRA with one through Health Force partners to obtain similar information for no additional cost or forego an HRA for 2012. The group discussed the options for data collection with a change in HRA design and the meaningful data attached to the Wellness Challenge. A motion was made by Molly Ringo and seconded by Mike Gunn to move forward with termination of Wellsource and implementation of the Health Force HRA. The motion passed unanimously.

Regarding the 2011-12 Budget, a motion was made by Mike Gunn and seconded by Molly Ringo to adopt the 2012 Budget as per the information provided on Scenario 3 – Move to the WEA with the 2012 renewal decision amendments previously approved by the Trustees. The motion passed unanimously.

Status Report Regarding Move to WEA Benefit Plans

Sean noted that Group Health representatives have commented that they would love to attend a future Trust meeting if the Trustees would like. Rene commented that there have been Group Health representatives along with the Premiera representatives attending each of the informational benefit change meetings.

Open Enrollment Planning Update – Randi Seaberg

Randi reported Open Enrollment kicked off with a bang. The representatives from Premera have been great to work with. She has heard some unhappiness regarding the loss of PacifiCare and concerns about alternative care being more restrictive with the new plans. There have been questions regarding pharmacies and employees being aware that they will have to request a new prescription from their doctors with the new plans, and questions regarding students or spouses out of state, which seems to be a strength for Premera. The biggest question has been whether the employee's current physician is a provider for the new plans. The Premera representatives are leaving books of their provider physicians at the sites they visit. So far 160 people have logged on to Employee Online and changed their benefits. The system seems to be working relatively well. Employees are aware that there might be rate changes in October and are asking what that means for them. Kim Mead would like to hear from the Trustees how Open Enrollment is going so she can report back to the WEA.

More correspondence regarding Open Enrollment will be distributed through emails and evening events. Rene commented that staff have been really busy. They have been meeting weekly with the WEA representatives who have been very helpful. There have been a few issues with Employee Online but they are working to get the glitches taken care of. Gayla has been very helpful in this area. There will be a lot of checking once everyone has chosen their new plan.

The group discussed issues regarding who pays, Human Resources or the Trust, for the printing costs of the benefit plan information packet. David gathered feedback from the Trustees and will schedule a time to meet with Lynn Evans to discuss this matter.

Randi commented that in the past an employee's working spouse who was eligible for insurance benefits through their employer, but chose not to use their employer's benefits, were charged an additional \$100 working spousal surcharge. Randi asked if the Trust wanted to continue the \$100 surcharge. The Trustees discussed this charge and agreed to continue with it.

Quarterly EAP Report – Randi Seaberg

Randi provided some highlights of a report received from Magellan. Although there is not a lot of usage, those who use it like it, and Randi has received positive feedback. She promotes the program in her visits to schools. She commented that she participated in Magellan's webinars which have been good. The webinars are provided for view on their web page. They will also be airing a webinar soon on financial wellness.

HCA Update – Molly Ringo & Mike Gunn

Molly and Mike provided the Trustees with an update on their recent participation at Health Care Authority meetings. The HCA has been great at collecting the information they need from school districts in such a short timeline. The HCA has commented that they are very impressed with the Everett School Employee Benefit Trust and the work that the Trust does for Everett school employees. The HCA is putting together criteria for opting out and Sean shared some of the proposed options with the group. Molly commented that the Trust's practical experience has been very helpful for the HCA.

Trust Support – Molly Ringo

The regular meeting was adjourned to executive session at 6:11 p.m. to discuss Trust support. The regular meeting reconvened at 6:15 p.m.

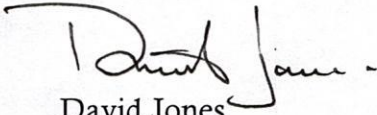
Review of Annual Calendar & Meeting Calendar

At the next meeting Darla will provide information on what the Trust will need to provide for review of the annual report and budget for the Office of Financial Management.

Adjournment

A motion was made by Susan Lindsey and seconded by Betsy Selders to adjourn the meeting. The meeting was adjourned at 6:19 p.m.

Sincerely,

A handwritten signature in black ink, appearing to read "David Jones", with a stylized flourish at the end.

David Jones
Chair

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