

Everett School Employee Benefit Trust

Minutes of
August 31, 2004
Conference Room C3
1:00 p.m.

Attendance

Trustees

John Morrill
Betsy Selders
Kay Nickel
Jeff Riddle
Molly Ringo

Also Attending

Dottie Cainion
Darla VanDuren
Rene Boswell
Tom Pursley
Jill Mehner

Absent

Sue McCann

Recorder

Susan Sacha

I. Call to Order

John Morrill called the meeting to order at 1:05 pm.

II. Adoption of Agenda

The agenda was adopted as written.

III. Approval of Minutes

The minutes of the August 16, 2004 regular meeting and executive session were reviewed and approved as written.

IV. Continue Discussion/Action on Renewal Directions

Tom Pursley and Jill Mehner provided the trustees with additional information on the following items.

Group Health Cooperative (Page 25):

- Bariatric surgery – Wanted to save money and benefit was out of line with industry standards. PacifiCare has never covered bariatric surgery and only mentioned it as a clarification. Group Health does not provide it but will if the Trust adds a rider. Treatment for PPO is defined by the physician's treatment plan and is covered as part of the treatment. It was pointed out that most carriers are excluding bariatric surgery. After discussion it was decided not to add a rider to Group Health and to keep the PPO as it is.
- Organ transplant benefit – The donor cost (\$50,000) was always built into the \$200,000 including the cost of procurement. It was felt that it would be a good business practice to separate the cost.

- Rehabilitative care – Removing the “per condition” wording was purely a cost savings measure.

Exhibit G (PacifiCare)

- Add \$50 co-payment for self-injectable medications for medications received from a physician’s office or purchased at a pharmacy (retail or mail order).
 - No current co-pay for self-injectable. They will add a \$50 co-payment for 2005. Self-injectables do not include insulin.
- Limit home health benefit to 130 visits per calendar year (see “Language Changes” for definition of a “visit”)
 - Standard for the industry.
- Exclude bariatric surgery on all products/segments
 - Clarification purposes only.
- Add \$5,000 annual restoration amount (Benefit amount to be available for members who have exceeded the plan’s Lifetime Maximum (Washington state mandate)
 - Adding in an annual reservation each year.
- Dependent Age Limits standardized:
Oregon large group “through age 24”
Oregon small group “through age 22”
Washington large and small group “through age 24”
 - Up to age 23 and full time student. Other plans will be the same as PacifiCare.
- Assist employer groups with organizing flu clinics at their worksite
 - Durable medical equipment currently at 80% standard industry benefits.
- Modify durable medical equipment benefit to \$5,000 maximum per calendar year
 - PacifiCare will keep eligibility as is.
- Modify prosthetics benefit to \$5,000 maximum per calendar year
 - PacifiCare will keep eligibility as is.

Exhibit D (Amendment 1)

- Maxillofacial Surgery
 - Recommendation was that this be treated as any other treatment and not be limited to a maximum of \$1500 per calendar year. The Trust agreed.

Alternative Care Benefits:

Jill distributed a summary on alternative care benefits. Tom indicated that there was a growing interest in alternative medicine. The summary was their best indicator at this time. Naturopathic medicine is excluded from the PPOs. After discussing and reviewing the summary, it was decided to not make any changes.

Employee Contributions:

An updated analysis was provided show that the trust is under the budgeted projections for this year.

Several employee contribution scenarios were distributed.

- Scenario 1a – No change to employee contribution
- Scenario 1b – No change to employee contribution plus scenario includes Rx modifications to PPO plans.
- Scenario 2a – Change to employee contributions for PPO1, PPO2 and Group Health. No change to PPO3 and PacifiCare
- Scenario 2b – Change to employee contribution for PPO1, PPO2, and Group Health plus scenario includes Rx modifications to PPO plans. No change to PPO3 and PacifiCare.
- Scenario 3a -- Change to employee contributions for all plans
- Scenario 3b – Change to employee contributions for all plans plus scenario includes Rx modifications to PPO plans.

The different scenarios were reviewed. Tom explained that if revenues stayed the same we'd probably break even in 2006 with no increased revenues and that it's reasonable to be able to sustain for the next two years without raising rates. He said the Trust is in a more favorable position in comparison to other districts because of the last two years increase in revenue. Family coverage is much more affordable in our district. After discussion, it was agreed to accept plan 2a which changes employee contributions for PPO1 and PPO2. The PPO3, Group Health and PacifiCare plans will remain the same as 2003-04. A motion was made, seconded and approved to accept plan 2a.

V. Schedule of Meetings for Year

Meeting will be held on Mondays. The next meeting is September 27th at 3:30 p.m. Tom proposed that he and Jill attend every other month to save on costs. The trustees agreed. The meeting dates are as follows:

2004

September 27
October 25 (Tom & Jill will attend)
November 29
December – no meeting

2005

January 24 (Tom & Jill will attend)
February 28
March 21 (Tom & Jill will attend)
April 25
May 23 (Tom & Jill will attend)
June 13
August 15 (Tom & Jill will attend)
August 29 (Tom & Jill will attend)

VI. Other

Jill distributed paid claims experience. She said it was very favorable and ahead of the forecasting.

There were no financials due to the annual audit. However Darla commented that the August claims were high (\$744,850) which is approximately \$300,000 higher than the average but the month of August tends to historically be higher utilization of claims.

VII. Adjournment

The meeting was adjourned at 2:45 p.m.

Sincerely,

Molly Ringo
Acting Secretary