

Everett School Employee Benefit Trust
Minutes of April 17, 2006
Board Room
3:30 p.m.

Attendance

Trustees

Molly Ringo
Sue McCann
John Morrill
Kay Nickel
Betsy Selders

Also Attending

Randi Seaberg
Sean White

Recorder

Susan Sacha

Absent

Mike Gunn
Darla VanDuren

I. Call to Order:

The meeting was called to order by Molly Ringo at 4:05 p.m.

II. Adoption of Agenda

The agenda was adopted as written.

III. Approval of Minutes

The minutes from the March 20th meeting were approved as written.

IV. Financial Report

No financial report was given.

V. Consultant's Report

Sean distributed and reviewed the Paid Claims Experience report with the trustees. He reported that the year to date against the budget was doing quite well.

- Updated IBNR Liability

The revised IBNR liability estimate (12/31/06) decreased 16% from the prior estimate. Sean thinks the reserve could be reduced, however, it would probably be wise to wait and revisit this issue in June or July

- Prescription Drug Benefit

Sean distributed a benchmark analysis to show how Everett's pharmacy plan compares to the marketplace. He said the benchmarks were based on other employers of similar size which is not the most credible, but the best they could provide now. The benchmark showed that the cost share required on the PPO I plan was in line but PPO II and III plans were high. Generic substitution in the benchmark was 98% while Everett's was 96%. Sean said the trust's current plan has no Dispense as Written (DAW) penalties. Penalties are generally used to educate and reinforce the value of using generic medications and most members would select the generic medication rather than pay the penalty. Sean also noted that Everett's mail order utilization was low and the trust is actually subsidizing it more heavily than retail on PPO II and III. With regard to pricing, Sean said there were opportunities for savings and that the trust may want to consider using Mercer's Pharmacy Specialty practice to conduct a market assessment. The cost for this

service would be \$50,000 to \$60,000. After discussion the trustees directed Sean to look into some lower level savings.

- Plan Renewal – preliminary discussion

Sean distributed a list of items for planning purposes and asked if there were any issues with HMA that the trust would like pursued for 2007. Randi reported that HMA has taken responsibility and remedied most problems. Pacific Care has had some issues. She said that members received different information depending on who they talked to and that sometimes it was necessary to talk to a supervisor before being able to get the needed information. She said she has not heard much on Group Health.

Mercer has begun work on stop-loss and is working with Symetra to get a reasonable rate on the table.

The Metlife contract will be done at the end of the year. Sean is hoping for a reasonable renewal rate.

The trust hasn't looked at what the options are for the Employee Assistance Program (EAP). An update on this program will be added to the May 15th meeting.

Mercer will move forward with their standard renewal process

VI. Total Health Management

Randi reported that 75% of the site presentations have been done. She is hoping for 100% by the end of the year and HR is reminding those sites who haven't presented the information to do so.

Another Nurse Care brochure will be sent out in the next week. It will include the "letter" of support from the trustees and testimonials from several employees who have agreed to allow their names to be used. The brochures will be distributed by the site liaisons to save on postage.

Randi reminded the trustees that the health assessment will be going "live" on May 1st. Incentives will be given throughout the month of May.

Randi announced that HR was providing several Maternity/Childcare Leave workshops with the first occurring on April 19th. HR has partnered with the Everett Clinic and Volunteers of America. Information on maternity and childcare leave will be provided.

VII. Review of Trust Policies and Manual

No changes were necessary.

VIII. Calendar Review

No revisions or additions were made to the annual calendar

IX. Other

N/A

Everett School Employee Benefit Trust
Minutes of April 17, 2006 - continued

X. Adjournment

The meeting was adjourned at 5:15 p.m.

Sincerely,

Betsy Selders, Treasurer