

Everett School Employee Benefit Trust

Minutes of
September 19, 2005
Boardroom
3:30 p.m.

Attendance

Trustees

Molly Ringo
Sue McCann
John Morrill
Betsy Selders
Kay Nickel
Mike Gunn

Also Attending

Darla Van Duren
Jill Mehner
Arlene Vollema-Rich
Rene Boswell

Recorder

Susan Sacha

I. Call to Order:

The meeting was called to order by Molly Ringo at 3:40 p.m.

II. Adoption of Agenda:

The agenda was adopted as written.

III. Approval of Minutes:

The August 29th minutes were reviewed and approved as written.

IV. HMA Presentation – “Total Health Management”

A. Finalized Renewal recommendations

Jill distributed the benefit changes finalized in the 2006 renewal recommendations and introduced Hillary Campbell, HMA Senior Account Manager who reviewed the changes with the trustees. Sue McCann asked about coverage for contraceptive devices (IUD) which was not included in the renewal. She said it had been covered in the past. Mercer will do some research and report back to the trustees.

B. Total Health Management

Also in attendance were Judy Murta, Client Services Manager and John Feltz, VP for Sales and Marketing who presented detailed information on the Total Health Management program. John pointed out that the Total Health Management program would incorporate wellness by promoting healthy life styles, creating a culture of health awareness, reducing the health plan medical trend over time, reducing absenteeism, integrating with Workers' Compensation and supporting safety programs. There are two parts to the program (1) Health Information Library with more than 1100 topics and (2) Nurse Care Line. The cost of the program is \$4.00 per employee per month. The return on the investment ranges from \$1.50 to \$3.00 for each dollar spent. This is based on the difference between the caller's inclination at the beginning of the call versus their decision at the end of the call.

The success of this program depends upon communication so that employees are educated on the value and mechanics of the program. John also stressed the importance of offering an incentive which could be anything from Starbuck gift cards to money in a flexible fund. The program works well but even better if it's promoted well.

Discussion followed after the presentation. Jill felt that good communication was very important and that she wouldn't recommend the program unless that was done. The program launch would include all employees. There was a question about what would happen if there was a move to WEA Blue Cross in the future. Jill didn't know but said that it might provide a healthier pool. As far as getting claims data from WEA she felt that probably wouldn't happen. With regard to the incentive, i.e. \$25 or Starbuck card, etc., Molly will check on the legality of offering incentives. Molly felt reminding staff about good

health in different ways would be important – communication is the key. She suggested this could be a regular or quarterly agenda item for the trust. This item will be added to the October 17th agenda.

V. Financial Report

Darla will distribute financials when the audit is over. She reported that the question from the auditor about eligibility was a misunderstanding and has been cleared up. The auditors probably won't need to talk with a trustee and will just send a letter. At this time the audit costs are lower than estimated but they haven't done the final review yet.

The Office of Financial Management bi-annual audit is scheduled for November 16th. This audit which is being done by Don Johnson will take approximately seven hours. Darla is requesting to have a trustee sit in on the entrance meeting.

Curt Haldorson from Smith Barney is preparing for the October report. He has been in contact with Darla regarding the locating of the investment policy and is happy about being able to spread the dollars around.

On October 1st the new dental rates will be in effect and the new increased state allocation will be going directly into the trust.

VI. Consultant Report

Jill distributed the Paid Claims Experience and reviewed with the trustees. She reported that the total claims were higher than projected as of August.

Jill distributed revised copies of funding scenario – 2A reflecting the \$150,000 reduction of the aggregated employee contributions.

Jill reviewed the Group Health contract revisions. She said a decision needed to be made on the supplemental rider revisions. The rider provides an additional incentive of \$5 (co-pay would be \$20 instead of \$25). After discussion it was decided to opt out.

VII. Other

Fiduciary Insurance – Darla received a follow-up letter from Marsh. She had asked Melanie about it but hasn't heard from her yet. Darla will follow up..

HMA is working on new identification cards. They are moving away from social security numbers towards a personal ID number. This change will be effective January 1st.

Human Resources and HMA are working on a communication to go out November 15th directed toward staff members with Medicare eligible spouses regarding the new regulations.

Mike asked what happened with the Benny Card. Molly said that HR will provide the trustees with some information via e-mail.

The meeting was adjourned at 6:00 p.m.

Sincerely,

Betsy Selders
Secretary