

Everett School Employee Benefit Trust
Minutes of October 16, 2006
Board Room
3:30 pm

Attendance

Mike Gunn
Betsy Selders
Molly Ringo
John Morrill
Sue McCann

Absent

Kay Nickel

Recorder

Susan Sacha

Also Attending

Darla Van Duren
Curt Haldorson

I. Call to Order

Mike Gunn called the meeting to order at 3:35 pm on behalf of Kay Nickel who was unable to attend.

II. Adoption of Agenda

The agenda was adopted as revised.

III. Approval of Minutes

The minutes from the September 18th meeting were approved as written.

IV. Financial Report

Darla distributed the independent auditor's report and cover letter from Toyer and Associates. No management suggestions were made. Furthermore, items noted from last year had been corrected. Darla noted that on page 2 of the audit report the \$1,191,591 figure included the IBNR amount plus the Flexible Savings Account funds not yet reimbursed (the FSA plan year goes through the end of this calendar year plus another 3 months). On behalf of the trustees, Mike expressed appreciation for the fine work Darla performs in her role as the Trust's Accountant.

The September Finance Report showed an increase of \$175,503 in the fund balance for the month with an increase of \$309,762 for the year; purchases included four CD for \$95,000; prepaid expenses have been reduced by invoicing from the trust consultants. The prepaid balance is \$18,920 down from \$44,143 since the beginning of the fiscal year; no payment has been made to HMA – THM since July. Darla reported that the Trust was in a good position this month. The HMA claims for the month are less compared to a year ago, but the overall total is \$27,385 more than a year ago. NMHC claims are higher than a year ago and overall \$65,424 more for the year. The fund balance this month is \$6,428,120 compared to \$4,448,060 a year ago. Molly asked Darla to follow-up with some information for the Trustees regarding the increase in 2006-07 for NMHC prescriptions paid versus the amount paid in 2005-06. Overall assets for the beginning of this fiscal year total \$7,592,120 compared to \$5,605,060 a year ago.

V. 1st Quarter Investment Report

Curt provided handouts including a chart on bond maturity distribution, projected monthly income summary and a one page handout with the current yields of various investment options. He reported that an inverted yield curve is still present in the bond market, with long term rates equal to or lower than short term rates. Curt indicated that the trust may need to move away from CDs (for example, to government agency bonds) to obtain better rates, depending on what the federal reserve bank does with interest rates. He is focusing on purchasing investments for the 2010-2011 time frame, and investing in compliance with the investment policy approved by the Trust.

VI. 12-Month Employee Rate Transition

Molly asked if the trust would be willing to allow two employees to continue paying the employee rates for 12 month even though they were in a no-pay status. She would like to grandfather them because they had been working with the HR department staff on continuation of this coverage when the Trust voted to terminate the practice. A motion was made and seconded to grandfather the two employees into the 12 month plan at regular employee rates.

VII. New Employee Enrollment Data

Molly reported that the recent enrollment data showed a much more equitable distribution across the board between plans. There were 441 enrollees in PPO1, 328 in PPO2, 198 in PPO3, 318 in Group Health and 296 in Pacific care. Molly pointed out that most of the new employees enrolled in Pacific Care. She noted that the trends hoped for are actually happening.

VIII. Quarterly EAP Report

Molly distributed a chart comparing the first two quarters. The comparison showed 11 cases from the first quarter and 24 current cases with EAP. The chart illustrated that many factors outside the workplace affect employees and their families. She noted that it's important to remind employees about this beneficial program.

IX. Quarterly THM Report

Molly indicated that the next step will be the "beyond disease management" program which is the coaching follow-up piece to the health risk assessment. She said this would probably be rolled out after the open enrollment period around Thanksgiving or possibly December. Betsy suggested January.

Molly distributed the registered nurse activity report and a list of the top ten topics requested from the health information library. From April to June 132 subscribers participated. It was suggested that directions about how to access the care line and health information library could be put into a newsletter. Molly also distributed a report showing risk by prevalence. As of June 30th 210 people have taken the HRA.

X. Other

Flex plan -- Molly handed out a memo from Melanie Curtice (Stoel Rives) regarding administrating flexible spending accounts, which included a recommendation that only the employer (the District) and not the ESEBT can offer a cafeteria plan (FSA) under the Internal Revenue Code. Molly has been meeting with Jeff Moore to transition administration of this program to the District.

ESI Drug Quantity Management Program -- Molly provided information to the trustees and asked if they wished to use this program, designed to manage prescription costs by ensuring the units supplied in each prescription are consistent with clinical dosage guidelines. After discussion a motion was made, seconded and approved to accept the ESI Drug Quantity Management Program.

Molly distributed some reading articles -- Local Trends in Health Care and a handout on A New Prescription: Companies Ramping Up Intensity of Wellness Plan.

XI. Annual Calendar

No changes or additions were made.

XII. Adjournment

The meeting was adjourned at 4:20 pm.

Sincerely,

Mike Gunn
Secretary