

Everett School Employees Benefit Trust
Tuesday, August 25, 2015
Minutes

Attendance

Greg Elder
Adam Goldstein
Susan Lindsey
Molly Ringo
Kelly Shepherd

Absent

Jeff Moore

Also Attending

Cris Bosket
Aanya Lee
Rickie Lee Marker Hoffman
Randi Seaberg
Darla Vanduren
Sean White

Recorder

Kellee Newcomb

Call to Order

The meeting was called to order by Kelly Shepherd at 1:03 p.m.

Adoption of Agenda

Sean requested a modification to the agenda to allow representatives from Vera Whole Health to present information to the Trust. A motion was made by Adam Goldstein and seconded by Susan Lindsey to adopt the agenda with the above mentioned modification. The motion passed unanimously.

Introduction of New Wellness Coordinator

The Trustees formally welcomed Rickie Lee Marker Hoffman and said they were excited to have her join the district and become part of the ongoing work of the Trust. Rickie Lee shared her background with the group. She thanked the Trustees for the opportunity and said she is looking forward to working with the staff of Everett Public Schools.

Vera Whole Health Presentation

Victoria Reinholz, Director of Sales and Clinical Integration and Ryan Schmid, CEO of Vera Whole Health attended the meeting to provide information about their company. Ryan noted Molly recently attended a city council meeting in which Vera Whole Health was discussed as a health care solution and she expressed interest in learning more. Victoria and Ryan shared background information about the company and provided a brief overview of the Vera model which is an onsite healthcare provider specializing in primary, preventive, acute and wellness care. Vera helps clients reduce their healthcare costs and improve the health and wellbeing of their employees and their families.

Ryan shared some of their current clients which included the Bill and Melinda Gates Foundation, the City of Kirkland, Children's Hospital and Virginia Mason. Victoria talked about how the onsite clinics work as a comprehensive and holistic approach to care. Whole health coaches can provide increased time with patients so they feel heard and supported in their health care journey. She also provided background on the training that coaches receive. Vera also works to improve the health culture and health engagement of staff by creating unmatched patient experiences.

Ryan reviewed the financial models with the group including options with just district employees or with outside partners, the return on investment over a five year period and key considerations. All patients would have reciprocal access to the growing Vera clinic network with the exception of some due to security reasons.

The group discussed the potential timeframe if a decision is made to join Vera. Ryan noted it depended on clinic space, staff selection, etc. but that six months seemed doable. The group discussed the potential cost savings. Vera works very closely with United Healthcare (UHC) and would receive claims data from them. Ryan said he has given the Trustees a lot to think about and encouraged them to look at what makes sense for the district. The Trustees thanked Ryan and Victoria for the presentation.

Approval of Minutes

A motion was made by Adam Goldstein and seconded by Gregg Elder to approve the minutes from the June 12, 2015 meeting as written. The motion passed unanimously.

Trust Audit Update

Darla provided an update on the annual audit. She said everything is going fine, materials have been gathered and they look great. She is hoping to have the audit completed by mid-September.

Wellness Program Update

Rickie Lee shared with the group the activities she has engaged in since coming to the district and provided an update on current or upcoming Wellness Program activities. The Trustees thanked Rickie Lee for her work.

Consultant Report

Sean and Aanya presented the annual renewal report for discussion. There will be a 12% increase with UHC for 2016. The Trust was in a guaranteed rate cap of 10% as long as the ratio of incurred claims to premiums billed was less than 90%. The ratio of incurred claims was greater than 90% thus the increase. Sean noted the renewal increase would have been above 12% based on the current claims data. The increase will take effect January 1, 2016. Also discussed were required benefit modifications related to the mental health parity definition and changes to the 2016 out-of-pocket maximum limits due to Affordable Care Act (ACA) requirements. There will be a 3% decrease in rates for Delta Dental and a 5% increase in rates for Willamette. There are no changes to the MetLife vision plans.

Group Health (GHC) rates will increase by 9% with no plan design changes. In addition, GHC provided two unsolicited options for PPO plans through their Access Network for the Trustees consideration. The group discussed the proposed options.

There are no changes to basic life and accidental death and dismemberment or supplemental life policies, as well as no changes to voluntary short-term disability or long-term disability. However, there will be a significant increase to the voluntary UNUM long term care plans. UNUM has filed for a 25% increase in 2016. They had requested a total increase of 70% over the three-year period of 2015-2017. The Washington Insurance Commissioner was originally taking a “wait and see” approach before approving the 2016-2017 increases. Current Everett Public Schools enrollment is sixteen employees. If enrollment drops below 10, then the group coverage would terminate and those enrolled would be ported to individual coverage with the same rates. Sean’s recommendation was to let it run its course with targeted communications to those individuals who might be affected. The Trustees agreed.

Sean reviewed the changes that will be coming with the excise tax. Beginning in 2018, a 40% excise tax (non-deductible) will be applied to “high cost employer-sponsored health coverage.” Sean explained how the tax will be calculated. He commented that it does not make sense for any employer to pay this tax and explained the exposure to the Trust. High-cost employer-sponsored health coverage and Flexible Spending Accounts (FSAs) would be included. Sean also updated the group on the primary requirements of ESSB 5940, the current status for the plans offered by the Trust and potential next steps.

Some UHC initiatives that will be coming in 2016 are to change their customer service approach to match members (based on their data) with the appropriate person to speak with (Example: if a member recently had an operation, the customer service representative would assume they might be calling for that reason and match their call to the appropriate person). They will also be rolling out virtual visits using cell phone or computer cameras. This service will be run through the member's health plan as usual.

Aanya reviewed the UHC and GHC financial projections with the group. The group was also presented with scenarios including status quo with a flat percentage or a flat dollar amount, and adjusting employee contributions targeting a three-month reserve at the end of 2016.

Alternate medical plan proposals were discussed including what it would look like if the Trust moved back to the WEA medical plans. Assuming enrollment would be similar to that in 2014 when in the WEA but with current enrollment as of June 2015, it would be an additional estimated increase of \$384,000 to move back to the WEA from the current 2016 renewal with UHC and GHC. Additionally, the plan offerings through the WEA have changed since 2014. Sean said the offerings now are very similar to that of UHC.

The Trustees discussed the current issues with UHC. Employee frustrations are not as much about pharmacy now as they are with customer service. There are also complaints about increased out of pocket expenses. The group discussed the employee frustrations still being voiced and whether to stay with UHC or switch back to the WEA medical plans. Sean reiterated that the WEA medical plans would not be the same as they were in 2014 and that the WEA rates are higher and the increases will continue in order to mitigate the excise taxes coming in 2018. The Trustees discussed the information provided and unanimously agreed that there is not a compelling reason to switch back to the WEA medical plans.

The group discussed the possibility of adding the unsolicited GHC PPO option and what it would provide to employees. Sean said he does not see a compelling reason to do something like this now. The group agreed. A motion was made by Gregg Elder and seconded by Molly Ringo to continue the current medical plans with UHC and GHC into 2016. The motion passed unanimously.

The group discussed next steps and whether or not they were ready to approve the 2016 medical plan renewals. Concerns were expressed that the current district/EEA negotiations might affect the decision monetarily. It was agreed that the meeting scheduled the next day was not needed and would be cancelled. The Trustees will meet again at their regularly scheduled meeting on September 16, 2015 and agreed to make a decision on the 2016 medical plan renewals at that time.

Adjournment

The meeting was adjourned by Kelly Shepherd at 4:01 p.m.

Sincerely,

Adam Goldstein
Secretary

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