

# WFCA HEALTH CARE COMMITTEE MEETING MINUTES

The WFCA Health Care Committee held a regular meeting on Friday, April 15, 2016 at the state association office in Olympia, Washington.

## PRESENT

**Members:** Jack Hensley, Gene Carmody, Ken Eakin and Brad Langdell.

**Guests:** Sally Borte, Adam Frey, Kari Justad (Parker, Smith & Feek) and Tina Vasen (TPSC).

**Staff:** Roger Ferris, Jim Lux and Nora Eylenfeldt.

## CALL TO ORDER

Chair Hensley called the meeting to order at 11:05 a.m. and led the group in the Pledge of Allegiance. Chair Hensley dispensed with introductions.

## APPROVAL OF MINUTES

Gene Carmody moved and it was seconded to approve minutes of the January 26, 2016 regular meeting. **Motion carried.**

## FINANCIAL REPORT

Roger Ferris reviewed the first quarter operating statement noting an additional \$118,000 prescription drug rebate was deposited in South Sound Bank shortly after the quarter ended and was not reflected on the operating statement. Bond investments also continue to provide good returns to help offset program operating costs.

## JAMES R. LARSON FORUM BUILDING REPORT

Roger Ferris stated he received bids to re-roof the building ranging in price (\$51,000 - \$97,000) and materials (asphalt and TPO). He is thoroughly checking out the companies and materials, noting the job will be completed sometime this summer.

## CORRESPONDENCE

Jim Lux brought up a letter written by plan member Chief Jim Petrie (Whatcom 17) to Bob Ewan at Trusteed Plans. Chief Petrie wrote to complain about poor customer service he received from Trusteed Plans when he called to inquire about a claim denial; Mr. Ewan responded to Chief Petrie's complaint. Mr. Lux wanted to make the committee aware of this issue, noting the letters are available for anyone wanting copies.

## EXPERIENCE REPORT

Adam Frey reviewed self-funded medical experience through the end of March, noting a loss ratio of 93% for all plans combined. The dental program experienced a 102% loss ratio during the same period. He reviewed large claims, stating there are 10 claims over \$50,000-plus so far this year.

Adam Frey reviewed the Decision Master Warehouse (DMW) reports which showed 2015 WFCA self-funded medical claims expense and prescription drug claims expense data, which resulted in the following questions/highlights:

- Does the committee want to consider going to a single network? This would primarily affect Southwest Washington and could result in significant savings. Tina Vasen will investigate the number of members who would be affected by this change.
- Sally Borte suggested the committee consider Teledoc, a video/telephonic doctor program intended to provide immediate advice to our enrolled members prior to going to the hospital emergency room for situations that are diagnosed by Teledoc as non-critical medical issues. It is unknown from our claims data how many emergency room visits could have been avoided, but in 2015 our covered members utilized emergency room services more than other medical plans for which information was available. The 2015 ER expenses cost the plan \$1.5 million; Teledoc could provide considerable savings if the services were used by our membership.
- In-patient behavioral health costs increased in 2015 due primarily to drug dependency treatment. There are no limits to coverage and costs will likely continue to rise.
- Out-patient behavioral health costs also increased in 2015. Sally Borte discussed the evolution of Employee Assistance Programs, noting that today's plans are designed to be a resource to help with much more than mental health issues.
- Prescription drug costs continue to rise, necessitating an emphasis on generic versus name brand usage.

The committee recessed for lunch at 12:30 p.m.; the committee resumed its meeting at 1:15 p.m.

### **PRELIMINARY 2017 RATE DISCUSSION**

Adam Frey offered three scenarios for discussion with regard to 2017 rates. Jim Lux stated that at this point it appears a rate pass is possible for 2017 and suggested committee members talk about this when they are at county association and regional meetings. Further, depending on the program's medical claims experience over the next few months, a premium holiday may be possible and up for consideration by the committee at its October meeting.

The committee discussed current retiree plan members under the age of 65. Jim Lux asked, "Should these individuals be offered the alternative to buy their health care as if they were an early retiree paying at the active rate?" Discussion followed. This will be part of the final discussion on 2017 rates.

### **HEALTH CARE MANAGER'S REPORT**

Jim Lux reported that the majority of participating districts returned their "Designation of Governmental Entity Forms" to the office so the WFCA could issue Employer Reporting Forms 1094-B and 1095-B on their behalf.

The health care website is undergoing an update which should be completed soon.

Self-funded Medical Plan documents were reorganized and rewritten for 2016 and are currently being printed.

The Summary of Benefits will be redrafted into one detailed document from which all others will be customized and summarized, as opposed to having several different versions.

Jim Lux noted that the State Auditor has sent two reminders and the State Risk Manager has sent one regarding the May 31<sup>st</sup> due date for the year-end 2015 financial report. The State Auditor wants to perform the annual audit the last week of July.

Gene Carmody reported that he attended the Ocean Shores Health Care presentation, noting there was low attendance, perhaps due to the remote location of the program.

#### **UNFINISHED BUSINESS**

None.

#### **NEW BUSINESS**

None.

#### **ADJOURN**

There being no further business, the meeting adjourned at 2:15 p.m.