

WFCA HEALTH CARE COMMITTEE MEETING MINUTES

The WFCA Health Care Committee held a regular meeting on Friday, April 21, 2017 at the state association office in Olympia, Washington.

PRESENT

Members: Chair Jack Hensley, Gene Carmody, Ken Eakin, Jim Farrell and Brad Langdell.

Guests: Sally Borte, Adam Frey and Kari Justad (Parker, Smith & Feek); Tina Vasen and Cindy Gibbons (TPSC); Susie Gonce and Kim Johnson (MaxorPlus); David Ellingson (WFCA President).

Staff: Roger Ferris, Jim Lux and Nora Eylenfeldt.

CALL TO ORDER & INTRODUCTIONS

Chair Hensley called the meeting to order at 11:00 a.m. and led the group in the Pledge of Allegiance. Introductions followed.

MAXORPLUS PRESENTATION

Susie Gonce and Kim Johnson presented the WFCA Health Care Program's 2016 prescription drug utilization report and recommended cost mitigation strategies for the committee's consideration. Discussion was held on implementing a targeted campaign to promote the benefits of using the mail order pharmacy.

The committee recessed for lunch at 12:20 p.m. and returned to session at 12:45 p.m.

CALL FOR EXECUTIVE SESSION

Jim Farrell moved and it was seconded to hold an executive session to discuss personnel issues and add it to the agenda as Item #15. Chair Hensley stated a motion was unnecessary to add an executive session to the agenda.

APPROVAL OF MINUTES

Gene Carmody moved and it was seconded to approve minutes of the January 20, 2017 regular meeting. **Motion carried.**

FINANCIAL REPORT

Mr. Ferris reviewed first quarter finances. The State Auditor completed the association's accountability audit and all is in order. Mr. Ferris thanked Sandy Babcock for creating a spreadsheet reconciling all investment data since the inception of the bond program in 2014; this is an internal document available to anyone interested in the specifics of the WFCA's bond investments. Interest earnings for the first quarter totaled \$29,950 and four bonds will mature this year.

JAMES R. LARSON FORUM BUILDING REPORT

Re-carpeting of the common areas was just completed. Two tenants' leases will expire this summer and both are expected to renew.

CORRESPONDENCE

Roger Ferris referred to his March 21st memo to the committee in which he clarified comments made at the January meeting concerning bond investments and possible conflict with Board policy. Mr. Ferris stated that bond investments do in fact fully comply with Board policy and while his job as health care investment officer is to maximize resources, he would never put the program's finances in jeopardy. He added that bonds, which are fully insured, may be liquidated at any time.

EXPERIENCE REPORT

Adam Frey reviewed self-funded medical experience through the end of March, noting a loss ratio of 104% for all plans combined. On a year to date basis, this is the highest level of utilization experienced in several years; whether this is a trend remains to be seen, with nine months left in the calendar year. Large claims exceeding \$50,000 through the end of March totaled 15, which is five more than the same period during 2015. The dental program experienced a 91% loss ratio during the first quarter of 2017.

Adam Frey reviewed the Decision Master Warehouse (DMW) reports covering 2016 medical claims expenses. This reporting tool provides multiple views of what services and to what extent those services are being used by covered members and how much those services cost the program during 2016.

PRELIMINARY 2018 RATE PROJECTION

Adam Frey projected an eight percent increase in 2018 rates based on first quarter experience. Rate decisions will be discussed in the upcoming June and July committee meetings. Recommendations for 2018 rates will be made to the Board at its July meeting.

DENTAL PROGRAM SELF-INSURED CONSIDERATION

Sally Borte suggested the committee consider self-funding the dental program because Delta Dental is holding \$150,000 of funds that could be utilized, and possibly invested, by the association; she added that dental program costs are very predictable. Jim Lux responded that this was reviewed a couple of years ago and at the time it would have been a disruption to members; he does not know if anything has changed since then. He added that moving to a self-funded dental program would require a policy change. Ms. Borte clarified her suggestion to mean that the WFCA could hire Delta Dental of Washington to act as its third party administrator and the association would pay the dental claims. The difference would result in avoiding the need to retain funds at Delta Dental for extraordinary dental expenses.

NETWORK DISCUSSION

Tina Vasen suggested the committee consider switching networks from First Choice to Cigna; she distributed a network medical savings analysis. A change in networks would yield potential savings and would appear to result in minimal disruption. Discussion followed regarding stop loss carriers, Cigna providers and potential disruption of covered members,

all of which will be considered when making the final decision on whether or not to make a switch. The committee agreed with Ms. Vasen's suggestion to delay issuance of the updated I.D. cards to new enrollees until a final decision is made on the 2018 network provider.

ACCOUNTABILITY AUDIT

Jim Lux distributed the accountability audit report; he stated the health care program was in full compliance.

The committee recessed at 2:25 p.m. and returned to session at 2:35 p.m.

HEALTH CARE MANAGER'S REPORT

Jim Lux stated that he worked with representatives from TPSC and Parker, Smith & Feek to formulate a "work plan" or "depiction of the business cycle" which is basically all the things that are involved in supporting the health care program on an annual basis.

Jim Lux announced that he has information available on Kaiser's rebranding needed to reflect the merger with Group Health.

Jim Lux stated that work continues in order to increase participation in Teladoc. There will be further announcements about Teladoc by way of eblasts, the Hope Health newsletter, annual seminars and workshops, as well as at conference.

Jim Lux stated he is working on the 2016 year-end audit report, which is due May 31st.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

EXECUTIVE SESSION

The committee convened executive session at 2:45, announcing it would conclude at 3:00 p.m. At 3:00 p.m., Chair Hensley announced that executive session would continue until 3:10 p.m.

ADJOURN

At 3:10 p.m., it was announced that no action was taken during the executive session and the regular meeting was adjourned.