

WFCA HEALTH CARE COMMITTEE MEETING MINUTES

The WFCA Health Care Committee held a regular meeting on Friday, July 8, 2016 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 (Parker, Smith & Feek), Cindy Gibbons, Sally Rees and Tina Vasen (TPSC).

Staff: Roger Ferris, Jim Lux and Nora Eylenfeldt.

CALL TO ORDER

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

APPROVAL OF MINUTES

Brad Langdell moved and it was seconded to approve minutes of the April 15 regular Health Care Committee meeting. **Motion carried.**

FINANCIAL REPORT

Roger Ferris reported on second quarter finances including the program's bond investments. A \$1 million bond was called in late June which was reissued. The bond program is very strong, with interest earnings expected to be in excess of \$100,000 by year's end.

JAMES R. LARSON FORUM BUILDING REPORT

Second quarter building finances were reviewed and are on target. The roofing project was done earlier this month and regular maintenance items (ceiling tile replacement, parking lot striping) are being completed this summer.

CORRESPONDENCE

None.

EXPERIENCE REPORT

Adam Frey presented the self-funded medical experience report through the end of May, noting a loss ratio of 94.8% for all plans combined. The dental program experienced a 97.7% loss ratio for the same period. He reviewed large claims, stating there are 22 that exceed the \$50,000-plus threshold so far this year.

FUNDING PROJECTION

Adam Frey reviewed three funding projections for 2017 rates, each with varying applied trends. Sally Borte noted that Parker, Smith & Feek feels comfortable with the projection calling for a rate pass and a premium holiday.

Jim Lux supplied the committee with renewal projections that he prepared; he also recommended a rate pass for 2017, but suggested postponing a decision on the premium holiday until the October meeting when three-four additional months' experience can be evaluated.

2017 SELF-FUNDED RENEWAL

Jim Farrell moved and it was seconded to recommend to the Board a zero premium increase for the 2017 self-funded program. **Motion carried unanimously.**

Reinsurance & PCORI Fees: Adam Frey announced the reinsurance fee is being eliminated; the PCORI fee will be \$2.35 per member in 2017, or \$11,000.

2017 INSURED RENEWAL

Discussion was held on insured plan renewals:

- Kaiser Permanente—3% increase
- Group Health—5% increase.
- WDS— 0% increase (the proposed 3.7% increase was offset using available reserves).
- Standard Insurance—zero increase. A question was raised as to whether or not this was a two-year contract; Adam Frey responded he believed it was, but he will confirm and let Jim Lux know.

Jim Farrell moved and it was seconded to recommend to the Board approval of a zero increase in dental premium rates using WDS rate stabilization reserves. **Motion carried.**

Ken Eakin moved and it was seconded to recommend to the Board acceptance of the insured renewal and Standard Insurance as outlined above. **Motion carried.**

The committee recessed for lunch at 12:20 p.m. The committee reconvened at 12:55 p.m.

NETWORK CONSOLIDATION

Discussion was held on consolidating the three networks serving Southwest Washington. Originally, Providence and MHN Networks provided coverage in the area because the First Choice Network presence was limited. Over the years, the First Choice Network has grown and established a healthy presence in the area; by consolidating networks, covered members would have access to more providers and the Health Care program would receive greater discounts on covered medical services. There should be very little, if any, disruption of service to covered members and if it occurs, it would affect providers such as chiropractors and massage therapists, rather than primary care physicians.

Ken Eakin moved and it was seconded to recommend to the Board consolidation of networks effective January 1, 2017. **Motion carried.** An outreach campaign will begin as soon as possible to the affected individuals and districts and First Choice Network will be requested to offer providers associated with the Providence and MHN Networks the opportunity to join the First Choice Network.

TELEDOC

Discussion was held on Teledoc, a telephone and video physician consultation service that markets broad access, while saving money and time. It was the consensus of the committee that more data was needed in order to make a decision regarding Teledoc.

AUTISM SPECTRUM DISORDER--EXPANDING COVERAGE

Discussion was held on the possibility of expanding coverage for Autism Spectrum Disorder. Currently, self-funded medical plans provide benefits treating the lack of physical or cognitive function due to abnormalities of the nervous system (neurodevelopmental disabilities) for children

under age seven. The self-funded medical plans also provide similar or the same services under Rehabilitation Services. An autistic child under age seven exhausting their neurodevelopmental therapy benefits cannot access similar or the same therapies under their Rehabilitation Services benefit. This benefit expansion is intended to:

- Address the need for continued early therapies, in some cases, to improve the long-term functioning of autistic children;
- Is being integrated into other medical plans across the country to improve the lives of autistic individuals;
- Avoid related costs associated with the disorder later in life.

Jim Farrell moved and it was seconded to recommend to the Board expanding coverage for Autism Spectrum Disorder, effective January 1, 2017. **Motion carried.**

RETIREE DRUG SUBSIDY (RDS)

Discussion was held on transgender benefits. The committee also discussed foregoing the Retiree Drug Subsidy (RDS). Jim Farrell moved and it was seconded to table this discussion. Jim Farrell withdrew his motion. Brad Langdell moved and it was seconded that the WFC Health Care Program no longer apply for the RDS. **Motion carried unanimously.**

HEALTH CARE MANAGER'S REPORT

Whatcom 8 left the program due to a consolidation with the City of Bellingham. Kitsap E911 and South Pierce Fire & Rescue have expressed interest in the program, and Gig Harbor administrative staff inquired but were told they could not join the program unless their uniformed personnel did so as well.

The 2015 audit will take place beginning July 25.

The year-end financial report was electronically filed last month.

UNFINISHED BUSINESS

Gene Carmody asked if there was any follow-up to the Whatcom 17 Fire Chief's correspondence discussed at the last meeting. Jim Lux responded "no," adding that the chief has been talking to Roger Ferris concerning other issues and everything appears to be fine.

Tina Vasen mentioned that she received a letter from a participant praising TPSC's service.

NEW BUSINESS

None.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:00 p.m.