

WFCA HEALTH CARE COMMITTEE MEETING MINUTES

The WFCA Health Care Committee held a regular meeting on Tuesday, October 20, 2015 at the Tulalip Resort in Marysville, Washington.

PRESENT

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

Guests: Tina Vasen and Cindy Gibbons (TPSC), Sally Borte and Adam Frey (Parker, Smith & Feek).

Staff: Roger Ferris, Jim Lux and Nora Eylenfeldt.

CALL TO ORDER

Chair Hensley called the meeting to order at 1:08 p.m. and led the group in the Pledge of Allegiance. Chair Hensley dispensed with introductions.

APPROVAL OF MINUTES

Ken Eakin moved and it was seconded to approve minutes of the July 17, 2015 regular meeting. **Motion carried.**

FINANCIAL REPORT

Roger Ferris reviewed third quarter finances stating two bonds were called within a week, one of which was a four-year bond that had been held for only two months, yielding more than \$11,000 in interest.

JAMES R. LARSON FORUM BUILDING REPORT

The building's security system was installed and is operational. Common area carpets will be cleaned prior to year's end.

CORRESPONDENCE

Jim Lux received a letter requesting review of denial of retroactive coverage for a newborn whose parents failed to enroll the baby within the plan's required time period. Mr. Lux will respond to the union, which wrote the letter on the parents' behalf, stating the WFCA has concerns about setting a precedent contradicting established rules regarding retroactive enrollment; the denial of coverage is affirmed.

EXPERIENCE REPORT

Adam Frey stated the experience ratio as of September 30 is 91% and he anticipates ending the year with approximately \$2 million in surplus. Large claims were reviewed, two of which have triggered the stop loss reimbursement. Dental program utilization was reviewed and expenses are in line with the budget.

HEALTH CARE WORKSHOP REVIEW

Jim Lux stated workshop attendance overall was down a bit, but he believes the substance of the programs was better than past years. He received comments from participants that the subject matter was useful and districts need the information to do their jobs.

2016 VENDOR CONTRACT RENEWALS

Broker: Parker, Smith & Feek is proposing a 2.5% increase;

Claims Administrator: TPSC is proposing a 3.11% increase;

Stop Loss Carrier: QBE is proposing a 3.15% increase;

Administrative Services: No increase is proposed for administrative services to be performed on behalf of the health care program by Babcock, Nolan and Erlenfeldt.

Jim Farrell moved and it was seconded to recommend to the WFCOA Board renewal of the broker, claims administrator, stop loss carrier and administrative services contracts for 2016 as outlined above. **Motion carried unanimously.**

CRITICAL INCIDENT RESPONSE EFFECTS – MENTAL HEALTH COVERAGE

Jim Lux brought up the issue of mental health coverage for members who respond to critical incidents, asking, "Is it enough and do we need to make any changes?" Discussion followed. The committee determined that current mental health coverage provided by the WFCOA self-insured plans was comprehensive and would accommodate the mental health needs of first responders needing assistance.

RETIREE PLAN POSSIBLE CONSOLIDATION

Discussion was held as to whether or not the WFCOA needed to retain the current retiree plan. Because the medical plan has less than 25 enrollees there was interest in the potential for merging the participants into the larger self-funded risk pool. Factors supporting consolidation were the limited number of participants and the current good health of those participants. Factors against consolidation were the age of many of the participants, the fact that the benefits are somewhat different, the premiums are structured differently and the interaction with Medicare. The committee discussed Medicare and Medicare Supplemental Plans in conjunction with the WFCOA Retiree Plan. It was the consensus of the committee to have staff look at the current demographics of the WFCOA Retiree Plan and to research the possibility of reshaping the Plan to look and operate like a Medicare Supplemental Plan.

HEALTH CARE MANAGER'S REPORT

Jim Lux stated he will be working with TPSC on the 1095 reporting requirements which will cost approximately \$4,000-\$6,000, plus distribution and printing.

Jim Lux stated Delta Dental is imposing detailed reporting requirements on TPSC. A one-time payment will be made from the fund balance to cover the cost this year; in subsequent years, the cost will be incorporated into the rate.

Jim Lux stated that following the approval of the 2016 rates at the July meeting by the Committee and Board, Kaiser's 1.4% rate reduction was modified based on the approval of the optional infertility benefit rider. At the time the rider was approved, the estimated cost of the benefit rider was understated. The correct cost was recalculated and resulted in the premiums remaining at 2015 levels or no increase in premiums for 2016. Mr. Lux noted that a better job of communicating rates was needed prior to their approval at the annual July Committee and Board meetings.

The state audit for 2014 is nearly completed, with field testing at TPSC being the final step. The exit interview is scheduled for the week of November 16 and committee members are welcome to attend.

Jim Lux stated he is working in conjunction with the Washington Fire Chiefs and the Washington State Fire Fighters Association to market the WFCFA health care program to volunteers.

Jim Farrell asked about a possible premium holiday. Jim Lux responded that he does not recommend a premium holiday in 2016.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

ADJOURN

There being no further business, the meeting was adjourned at 2:30 p.m.