

WFCA HEALTH CARE COMMITTEE MEETING MINUTES

The WFCA Health Care Committee held a regular meeting on Friday, July 11, 2014 at the state association office in Olympia, Washington.

PRESENT

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

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

Staff: Jim Lux, Roger Ferris 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. Chair Hensley dispensed with introductions.

APPROVAL OF MINUTES

Jim Farrell moved and it was seconded to approve minutes of the April 11 and July 1, 2014 Health Care Committee meetings. **Motion carried.**

FINANCIAL REPORT

Roger Ferris reported on the “in and out” account and reviewed interest earnings. He stated reserves are doing well and the program is in good financial shape.

JAMES R. LARSON FORUM BUILDING REPORT

Finances: Second quarter building finances were reviewed and are on target.

Update on Lease Agreements: Roger Ferris is negotiating a new lease with WAPA (current Suite 106 tenants) who are seeking additional space and want to move into the newly vacated Suite 101; this would increase their leased space from 1,264 to 3,171 square feet. The new three-year lease will start at \$12 per square foot with annual 3% escalators; tenant improvements include new paint and carpeting (WAPA is paying half the cost of carpet). Suite 106 will be cleaned and marketed next month.

Maintenance: The south siding project has been completed and some exterior touch-up painting, window caulking and tree trimming is being done before the boom lift is returned.

CORRESPONDENCE

Jim Lux presented correspondence requesting sponsorship of the Washington State Community Paramedic Conference being held at the SeaTac Doubletree Hotel, November 4-5. Roger Ferris stated the WFCA Board is a sponsor in name only, and no financial commitment has been made. Discussion followed. It was the consensus of the committee that attendance at this conference could be of value and Jim Lux, Roger Ferris and Gene Carmody expressed an interest in attending; however, the committee passed on the opportunity to offer financial sponsorship.

EXPERIENCE REPORT

There were no changes from the experience report provided at the July 1 meeting.

PROJECTIONS & SELF-FUNDED RENEWAL RECOMMENDATION

Sally Borte provided an update on projected 2015 self-funded premium rates. She distributed several rate options for review which factored inflation, risk and trends. Jim Lux also distributed and discussed a similar document he prepared for the committee's review. Discussion followed concerning a potential increase versus zero increase for 2015 and the impact that would have on 2016 and beyond. It was the consensus of the committee to not offer a premium holiday in 2015. Brad Langdell moved and it was seconded to recommend to the WFCB Board a zero rate increase for the 2015 self-funded program. **Motion carried.**

PLAN REVIEW/BENEFITS FOR TMJ & INJURY TO NATURAL TEETH

In a follow-up to April's discussion, Sally Borte stated this would be a good time for the committee to decide on benefit duplication for TMJ and injury to natural teeth, each of which are currently covered under the medical and dental plan. Jim Farrell moved and it was seconded to leave the TMJ benefit coverage under both medical and dental; further, to change the coverage of injury to natural teeth to medical only (provided treatment is within six months of the injury for adults and 24 months for children under the age of 16). **Motion carried.**

2015 INSURED RENEWAL RECOMMENDATION

Jim Farrell moved and it was seconded to recommend that the Board approve renewal of the 2015 insured plans as follows:

- Kaiser Permanente—zero increase.
- Group Health—32% increase.
- Delta Dental—zero increase.

Motion carried.

Bids are still coming in for life insurance. Jim Farrell moved and it was seconded to request Board authorization for the committee to approve the life insurance via email vote once all bids are in, keeping in mind that Standard would be the worst case scenario at a 23% increase over last year. **Motion carried.**

The committee recessed for lunch at 12:20 p.m. The committee reconvened at 12:45 p.m.

PRESCRIPTION DRUG BENEFIT MANAGERS

Tina Vasen outlined various plans offered by prescription drug benefit managers. Discussion followed. Jim Farrell moved to switch from Express Scripts to Caremark. Motion died for lack of second. Discussion continued. It was the consensus of the committee to invite the various company representatives to an early 2015 committee meeting to discuss the services they could provide. This will allow ample time to prepare for a change in benefit managers for 2016, if the committee considers it prudent to do so.

POTENTIAL PPO NETWORK CONSOLIDATION

Tina Vasen provided a follow-up regarding consolidation of PPO coverage under First Choice in the greater Portland area. Due to the number of enrollees and type of services that would be affected by the change, TPSC expressed reservations about a merger from a customer service perspective unless there was a compelling reason to do so. It was the consensus of the committee to not make any changes at this time.

PLAN DOCUMENT LANGUAGE REVISIONS

Prescription Drug Out-of-Pocket Maximums. Tina Vasen distributed a document outlining prescription drug out-of-pocket maximums for 2015 in order to comply with the Affordable Care Act (ACA); these changes are unlikely to have a financial impact on the self-funded medical plans or their enrolled members. Discussion followed. Jim Farrell moved and it was seconded to set a \$2,000 (single) and \$4,000 (family) out-of-pocket prescription drug cap on all plans (except the HD Plan which has an integrated out-of-pocket). **Motion carried.**

Kari Justad stated that health care reform requires medical family out-of-pocket maximums can be no more than two times the individual and currently most plans are three times the individual.

UCR Limit on Pediatric Vision. Tina Vasen suggested updating Plan language for pediatric vision to a usual, customary and reasonable (UCR) benchmark.

Pre-Certification for Residential Treatment. Tina Vasen suggested updating Plan language to require pre-certification at residential centers for treatment of mental health and chemical dependency.

Jim Farrell moved and it was seconded to approve the UCR limit on pediatric vision and pre-certification for residential treatment centers as proposed. **Motion carried.**

HEALTH CARE MANAGER'S REPORT

Jim Lux stated the year-end financial report has been completed by the CPA and he will now proceed with the text portion. He stated that although there were a couple of bumps in the road, "Donna's [TPSC] response was incredible." Rates will go out in a week or two and will be published on the website.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Jim Lux distributed a document listing dates and locations for the 2014 health care workshops, noting the start time is changing to noon this year to help ease travel issues at the west-side locations. Jim Farrell stated he will be unable to attend a workshop this year; Gene Carmody will attend the Lynnwood program.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:55 p.m.