

WFCA HEALTH CARE COMMITTEE MEETING MINUTES

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

PRESENT

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

Guests: Ken Eakin (Yakima 12), Sally Borte, Adam Frey, Adam Tillotson (Parker, Smith & Feek) and Tina Vasen (TPSC).

Staff: Roger Ferris, Jim Lux and Nora Eyllenfeldt.

CALL TO ORDER

Chair Hensley called the meeting to order at 11:00 a.m., leading the group in the Pledge of Allegiance and proceeding with introductions.

APPROVAL OF MINUTES

Brad Langdell moved and it was seconded to approve minutes of the January 24, 2014 regular and March 17, 2014 special Health Care Committee meetings. **Motion carried.**

FINANCIAL REPORT

Roger Ferris reviewed the operating statement noting finances look good. Three million dollars in federal bonds were purchased as authorized by the Board in October; the bonds will mature on a staggered schedule. The initial accounting report shows an average interest income over a two-to-five-year period of 1.15% in comparison to the one-tenth of one percent paid out by the Local Government Investment Pool; this amounts to thousands of dollars in additional interest earnings. Jim Farrell moved to recommend that the Board authorize Roger Ferris to invest up to an additional \$2 million in federal bonds. Seconded and **motion carried unanimously.** Mr. Ferris noted he is pleased with the broker with which he is working on these bond investments.

JAMES R. LARSON FORUM BUILDING REPORT

Finances: First quarter building finances were reviewed and are on target; Roger Ferris noted expenses were higher than anticipated because two HVAC compressors were replaced.

Maintenance: Roger Ferris has commissioned repair of the building's south-facing siding; the bid is \$17,000 and the project will begin next month (this is similar to the work done last summer on the west side of the building). He will provide the committee with a three-year maintenance plan which will include re-carpeting common areas and a new roof.

Update on Lessees: As was reported at the last meeting, RHD (Suite 101 tenants) will move out of the building by July 1. Roger Ferris is in preliminary discussions with a current tenant who is interested in obtaining additional space. He will provide the committee more information at the July meeting, or sooner, if it becomes available.

CORRESPONDENCE

None.

EXPERIENCE REPORT

Adam Frey reviewed program experience through the end of February, noting a loss ratio of 95.4%, all plans combined. The dental program experienced a 96% loss ratio during the same period. He reviewed large claims, noting there are four \$50,000-plus claims so far this year.

Renewal projection was discussed showing an overall increase of 7.5%.

In a follow-up to discussion at the last meeting regarding why commissioners are charged higher premiums, Adam Frey provided the committee with a utilization report of commissioners in the WFCA health care program showing paid claims are running at 165%.

DECISION MASTER WAREHOUSE CLAIM REVIEW (DMW)

Sally Borte stated she reviewed WFCA health care program claim data in order to see how our program compares to the “norm”. She distributed detailed data, excluding patient names, outlining three areas that track higher than normal: emergency room visits, outpatient behavioral health and musculoskeletal issues, none of which were surprising given our subscriber demographic. She provided an in-depth review of the data, which also included prescription drug utilization and potential cost saving measures.

The committee recessed for lunch at 12:30 p.m.; the committee resumed its meeting at 1:05 p.m.

BENCHMARKS

Sally Borte provided a document showing a comparison of current active WFCA benefits and plan costs to Milliman 2013 Benefit Survey benchmarks.

PLAN REVIEW

Discussion was held on PS&F’s Plan Review.

- 1) TMJ Benefit Duplication. It was noted that treatment is currently covered under both medical and dental. Following discussion, it was the consensus of the committee to leave this as is because some people may have dental and not medical or medical and not dental.
- 2) Injury to Natural Teeth. Treatment is also covered under both medical and dental, and PS&F recommended it be covered under medical only, so that the dental plan may be used for basic dental care (cleanings and fillings).
- 3) Sally Borte discussed the plan’s Exclusion 31 which excludes coverage for injuries that occur while under the influence of illegal drugs; she noted this applies to minors under the influence who sustain serious injuries.

MARKET REVIEW

Sally Borte reported that PS&F examined our contracts, pricing, discounts and pharmacy benefit management and concluded that our plan is in really great shape. While this is not a legal review, it can certainly be considered a market review and she commended the committee for its work. She made the following recommendations based on changing market conditions:

- 1) Medical PPO Networks. PS&F recommends consolidating our network into First Choice in the 20 states that First Choice has network providers; a disruption analysis can be done in the Portland area to check utilization and recruit providers, if necessary, that are currently outside the First Choice network.
- 2) Maternity Support Program. PS&F recommends implementing this program as it may mitigate the number of premature babies born under our plan, which historically have made up some of our large claims. This would be a voluntary program available to members and the plan would be charged only if it is used.
- 3) Tiered Rates. Sally Borte asked about these rates; Jim Lux responded that it is critical to have the tiered rates structure for analysis and comparison purposes. Ms. Borte asked if rates needed to all be the same to which Mr. Lux responded that it didn’t matter.

- 4) PS&F Consulting Fees. There seemed to be some uncertainty as to how PS&F was to collect its fee for the self-funded portion of the program; after discussion, it was determined that Tina Vasen would look into this.

MARKET UPDATE 2014

Sally Borte stated this is a time of transition as plan sponsors work to contain costs while maintaining benefits. She distributed a market update sheet illustrating some of the trends in the health care industry, noting these issues may be brought up by some of our members.

PHARMACY BENEFIT OPTIONS

Tina Vasen stated TPSC had been hearing a lot of negative feedback regarding Express Scripts following the merger with Medco, and while it has gotten better recently, it may be time to shop this service. Discussion followed. It was the consensus of the committee that Ms. Vasen investigate other mail order pharmacy options.

PLAN DOCUMENTS—LANGUAGE OPTIONS FOR CONSIDERATION

Tina Vasen distributed a document outlining proposed language for the committee to consider adding to the Chemical Dependency and Mental Health Benefit to limit abuse of over-utilization and over-billing of certain services.

NEW TPSC WEBSITE

TPSC updated its website and Tina Vasen encouraged the committee to check it out. She thanked Roger Ferris for the testimonial he provided for TPSC which is posted on the site.

PROGRAM ENROLLMENT SUMMARY

Jim Lux distributed a comprehensive program enrollment summary outlining who is being served by the WFCAs Health Care Program.

HEALTH CARE MANAGER'S REPORT

Jim Lux stated he attended a meeting at Eastside Fire & Rescue last week, noting the district seems satisfied with its current provider so he doesn't think they will join the WFCAs plan. He has received the information from TPSC to begin the year-end financial report.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

GOOD OF THE ORDER

The next two committee meetings will be held in Olympia on Wednesday, June 25, 11 a.m., and Friday, July 11, 11 a.m.

ADJOURN

There being no further business, the meeting adjourned at 2:40 p.m.

Submitted by:

Jack Hensley, Chair

Nora Eyllenfeldt, Recording Secretary