

WFCA HEALTH CARE COMMITTEE MEETING MINUTES

The WFCA Health Care Committee held a regular meeting on Friday, April 19, 2013 at the state association office in Olympia, Washington.

PRESENT

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

Staff: Roger Ferris, Jim Lux and Nora Eyllenfeldt.

Guests: Gary Baldrige, Barb Wills, John Fawcett-Long (Mercer), Tina Vasen (TPSC) and WFCA President Miland Walling.

CALL TO ORDER

Chair Hensley called the meeting to order at 1:00 p.m. and led the group in the Pledge of Allegiance. Introductions followed.

APPROVAL OF MINUTES

Jerry Bragg moved and it was seconded to approve the January 25, 2013 minutes as submitted. **Motion carried unanimously.**

FINANCIAL REPORT

Roger Ferris distributed information on first quarter finances, reserve accounts and the wire in/wire out account; finances are looking very good. The health care account is now receiving a capital return each month due to Forum Building lease payments and property taxes will decrease because of the reduction in assessed value.

JAMES R. LARSON FORUM BUILDING REPORT

Roger Ferris reported that AEG (Suite 201 tenant) is considering expansion and may be interested in buying Suite 101, which is currently occupied by RHD. Mr. Ferris approached RHD regarding the possibility of switching its office from Suite 101 to Suite 201 to which RHD responded that they must move out of the Forum Building by October 2013 because this location no longer falls within federal zoning guidelines. RHD must reside in the correct federal zone in order to maintain its eligibility for federal project funding.

The sale of office space to AEG would benefit WFCA operating. In order to accomplish this, Mr. Ferris suggested the committee recommend to the Board approval to exchange the WFCA's 1,900 square feet of Suite 201 ownership for 1,900 square feet of Suite 101, owned by the health care program. The remaining 1,271 square feet of Suite 101 would remain under health care ownership and 1,900 square feet of Suite 201 would be switched to health care ownership. Provided the sale of Suite 101 goes through, this switch would supply the WFCA with up to \$285,000 and health care with up to \$190,500; amount and terms of the sale to be negotiated.

Discussion followed. Jim Farrell moved and it was seconded to recommend to the Board that the Executive Secretary be authorized to proceed with 1) a property ownership exchange of 1,900 square feet between Suite 101 and Suite 201, and 2) the sale of Suite 101 to AEG. **Motion carried unanimously.**

CORRESPONDENCE

None.

EXPERIENCE REPORT

Barb Wills stated the program experienced a 92% first quarter loss ratio, all plans combined. The dental program experienced a 90% loss ratio during the same period. She reviewed enrollment, large claims and the reserve calculation.

DISCUSSION ON 2014 PLANS, BENEFITS & RATES

Jim Lux stated the plan is looking very good so far this year and it may be possible to offer a zero increase in premiums as well as a premium holiday in 2014. He will not recommend any benefit changes but suggested the committee consider offering a minimum value plan.

Chair Hensley, Brad Langdell and Jerry Bragg agreed that they would prefer a zero increase in premiums two years in a row rather than a zero rate increase and premium holiday one year, followed by a 6%+/- increase the next. Brad Langdell and Jerry Bragg stated there are issues either with the county or fire district with regard to premium holidays.

The committee recessed at 2:25 p.m. The committee reconvened at 2:40 p.m.

HEALTH CARE REFORM

Barb Wills distributed a summary on the estimated impact of select health reform requirements, specifically noting fees for PCORI (2012 fee, due July 2013, is approximately \$4,000 which will double next year) and a Reinsurance Fee (approximately \$240,000 in 2013).

UPDATE ON DENTAL NETWORKS

Tina Vasen stated the committee had considered a self-funded dental program last year and determined it was not feasible at that time. She recently received information on another network and asked if the committee was interested in pursuing this option again. Chair Hensley suggested Ms. Vasen bring back to the next meeting a network provider access summary from WDS for the committee's comparison.

2014 MEDICARE DRUG SUBSIDY

Tina Vasen stated that the 2014 Medicare drug subsidy will be a bit less than in years past.

HEALTH CARE MANAGER'S REPORT

- Jim Lux received a question from an individual who, upon retirement, asked if he could choose the COBRA option, and once that is exhausted in 18 months, switch to the

retiree plan. Jim Farrell moved and it was seconded to defer this matter to the next meeting. **Motion carried unanimously.**

- Jim Lux received a question from an individual who challenged his hospital billing which resulted in significant cost savings, and wondered if he could receive some sort of financial reward for his efforts. Discussion followed. Tina Vasen noted one of TPSC's clients has a policy that rewards for such cost savings. It was the consensus of the committee that Mr. Lux present more information at the next meeting. In the meantime, a response to the member is appropriate, letting him know that the committee appreciates his efforts, is currently considering a policy on this issue and, if adopted, he may receive a financial reward.
- Jim Lux stated a claims audit of TPSC has been initiated, noting this is a voluntary action and should be viewed in a positive light with the State Auditor and State Risk Manager.
- Jack Hensley asked about progress on the audit; Jim Lux responded the audit has not yet been completed.

UNFINISHED BUSINESS

Future meetings were discussed. The committee will meet on Friday, June 21 and Friday, July 12 at 1 p.m. in Olympia, and Tuesday, October 22 at 3 p.m. in Pasco (conference site).

NEW BUSINESS

Tina Vasen brought up the issue of massage therapy, noting some practitioners charge for visits that go 15-30 minutes beyond the allowable 60-minute appointment; she asked if TPSC can consider the time overage as a second visit and reimburse accordingly. (Ms. Vasen noted that it is not possible to reimburse quarter or half hour segments, so any overage would be considered a 60-minute appointment.) It was the consensus of the committee to continue reimbursing for one 60-minute massage therapy appointment, regardless of the amount of time that is billed.

ADJOURN

There being no further business, the meeting adjourned at 3:55 p.m.