

WFCA HEALTH CARE COMMITTEE MEETING MINUTES

The WFCA Health Care Committee held a regular meeting on Tuesday, October 22, 2013 at the Red Lion Hotel in Pasco, Washington.

PRESENT

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

Guests: Barb Wills (Mercer) via conference call, Tina Vasen (TPSC) and WFCA President Miland Walling.

Staff: Roger Ferris, Jim Lux and Nora Eyllenfeldt.

CALL TO ORDER

Chair Hensley called the meeting to order at 3:00 p.m. and led the group in the Pledge of Allegiance. The Chair dispensed with introductions.

APPROVAL OF MINUTES

Jerry Bragg moved and it was seconded to approve minutes of the July 12, 2013 regular Health Care Committee meeting. **Motion carried unanimously.**

FINANCIAL REPORT

Roger Ferris reviewed the operating statement, noting finances are in good shape. He discussed his recent memo to the committee and Board regarding the possibility of investing in federal bonds in order to improve the rate of return association accounts are experiencing. Jerry Bragg moved and it was seconded to endorse this investment strategy and to authorize Mr. Ferris to proceed with up to \$3 million as the starting point for bond investments. **Motion carried unanimously.**

JAMES R. LARSON FORUM BUILDING REPORT

Roger Ferris reported that the building continues to be leased at full capacity, and scheduled rent increases just went into effect for some tenants. The building is providing a good rate of return.

CORRESPONDENCE

None.

EXPERIENCE REPORT

Barb Wills presented the experience report, noting a loss ratio of 86% year-to-date with all plans performing well. Large claims were reviewed. The dental plan is operating at an 87% loss ratio.

The reserve calculation was reviewed by the committee.

HEALTH CARE WORKSHOP REVIEW

Jim Lux stated the health care workshops get better every year and participants appeared to be more engaged than in the past. Committee members agreed with Mr. Lux's assessment adding that these were some of the best workshops we have had.

MERCER CLAIMS AUDIT OF TPSC

Jim Lux distributed a claims audit report showing TPSC performs above industry standards. There were two recommendations that resulted from the report: 1) TPSC should review their auto adjudication of claims to see if more claims can be paid automatically (Ms. Vasen is looking into this), and 2) TPSC should provide the WFCA with periodic reports related to overpayment identification (primarily for the benefit of the State Auditor). Jerry Bragg suggested this information be shared with the Board and included in the program's marketing campaign.

2014 VENDOR CONTRACT RENEWALS

Claims Administrator: Jim Farrell moved and it was seconded to recommend to the Board that the third party administrator contract with TPSC be renewed for 2014 at a 2.1% increase. **Motion carried unanimously.**

Broker: Jim Lux stated it has been more than five years since we have gone to bid for insurance consulting and brokerage services. Therefore, he has solicited and received several proposals which he and Roger Ferris are just beginning to review. Once the review process is complete, he will make a recommendation to the committee; he suggested a committee conference call to vote on a recommendation to the Board (which would then be polled as to its decision.)

HEALTH CARE MANAGER'S REPORT

Jim Lux distributed two documents for the committee's review and consideration:

1. **Excepting the 100% eligible employee enrollment policy (part-time employee opt out).** Mr. Lux recommends the addition of the following proposed policy because of changes resulting from the Affordable Care Act: *"An exception to the member fire service organization requirement to enroll 100 percent of all eligible employees may occur when part-time employees are offered health care coverage where the employer does not cover 100 percent of the monthly premium and the part-time employee declines to participate because of the following reasons: 1) the part-time employee has health insurance provided through primary job, a spouse, parent, or State Health Care Exchange, or 2) the part-time employee refuses to participate in the health care plan offered by the fire service organization and as a result is out of compliance with federal law (Individual Mandate) that requires all American citizens or legal immigrants to purchase health insurance.* Discussion followed. Jerry Bragg moved and it was seconded to recommend to the Board adoption of this policy. **Motion carried unanimously.**
2. **Allowing volunteer firefighters to enroll in the self-funded health care program.** It was noted volunteers would be required to pay their own premiums and it was suggested that eligibility criteria be developed (perhaps requiring the volunteer to meet certain qualifications using data from the Board for Volunteer Firefighters). Jim Lux stated he believes very few volunteers would enroll and as a result, the overall impact to the program would be minimal; it was noted the State Exchange has less expensive programs than the WFCA. Jim Farrell moved and it was seconded to recommend to the Board that volunteer firefighters be eligible to enroll in the self-funded health care program. **Motion carried unanimously.** Mr. Lux will work on language to include in the policy outlining certain requirements (e.g., that minimum standards have been met to qualify an individual as a volunteer firefighter).

UNFINISHED BUSINESS

None.

NEW BUSINESS

Building Management Contract Renewal: Jerry Bragg moved and it was seconded to renew the Forum Building Management Contract for three years at a zero percent increase, effective January 1, 2014. **Motion carried unanimously.**

Administrative Services Contract Renewal: Brad Langdell moved and it was seconded to recommend that the Board renew the 2014 administrative services contract at a zero percent increase. **Motion carried unanimously.**

Stop Loss Contract Renewal with QBE: Tina Vasen discussed the stop loss renewal passing out information from QBE, which is quoting an 8.7% increase. Jim Farrell moved and it was seconded to recommend to the Board approval of the stop loss renewal with QBE for 2014 at 8.7%. **Motion carried unanimously.**

GOOD OF THE ORDER

Jerry Bragg recommended the committee read a book called *The Liberty Amendments*.

ADJOURN

There being no further business, the meeting was adjourned at 4:30 p.m.