Self-Insurance Governing Board

Meeting Minutes

Virtual Meeting March 24, 2021

Attendance: Mark Gassaway, Finance Director

Mande Lawrence, Human Resources Director

Sara Lowe, Deputy Treasurer

Emily Zwetzig, Budget Director

Amie Johnson, Board Chair

Maria Vergis, Scribe

Absent: Taylor Hallvik, Chief Civil Deputy Prosecuting Attorney

**Approval of meeting minutes from January 6, 2021-All**

* Sara said the follow-up communication Mark had with CTI, explaining the reason for the proposed 18-month claims audit period, happened after the meeting was adjourned. She recommended that those bullet points be moved below adjourned meeting to show the information was provided later.
* Mark moved to approve the minutes as amended. Sara seconded the motion.
* All were in favor to approve the motion.

**Finalize 2018-2020 Voting Decisions-All**

* Emily Sheldrick advised Amie that the Self-Governing Board needed to hold a public meeting to vote again on previous Board decisions to affirm and make them final. It was discovered that not all public notice processes were being done, like notifying the Affiliated Agencies and the State Risk Manager following the last meeting on August 7, 2017, that was facilitated by the former Benefits Manager.
* Sara questioned re-voting on decisions that were made by a different group of Board Members.
* Mark said it would not be a re-vote. He said the Board would ratify what they believe happened to the best of their knowledge and move forward.
* Amie recapped the meeting decisions during this period, which range from changes to the Bylaws, to medical/dental rate increases or decreases and stop loss deductibles. (listed below)
* Mark moved to ratify the decisions or actions that were taken. Sara seconded the motion.
* All were in favor to approve the motion.

**2018 Meetings and Voting Decisions**

June 5, 2018 – No voting items

July 25, 2018

* Approved the following by-laws changes:
* Added email notification under 3.2 as a way to communicate meetings to agencies.
* Added clarification that the Program Manager is a non-voting member.
* Adopted the proposal to change the individual stop loss deductible to $200,000 and the aggregate to 200%.
* Adopted a 0% rate increase for the 2019 medical plan and a 15% rate decrease for the 2019 dental plan.

**2019 Meetings and Voting Decisions**

August 22, 2019 – No voting items

September 12, 2019

• Approved a 2.9% rate increase for Regence and a -5% reduction for Delta Dental for 2020 rates

**2020 Meetings and Voting Decisions**

March 3, 2020

* Approved the following by-laws change:
* Removed the Program Manager title (non-voting position formerly held by the Benefits Manager) and added a new title Board Chair, a non-voting member designated by Human Resources (Senior HR-Representative).

July 21, 2020 – No Voting Items.

August 18, 2020

• Approved a 4.5% increase for medical and -4.8% decrease for dental for 2021.

**Discussion-All**

* Sara inquired to whether we were preparing the proper financial report according to the by-laws.
* Amie said a published financial statement needs to be shared with the Affiliated Agencies in the Joint Self-Insured Program.
* Mark said the published financial statements are included in CAFR. He verified it meets the state requirement.
* Emily would like an update on financial reporting to look at fund balance before decision making.
* Mark said the spreadsheet he provides shows financial projections to make rate decisions.
* Sara said the number of meetings has varied over the years. She would like a structured meeting schedule, e.g. quarterly meetings to keep the plan’s financial stability, and decisions made in the forefront of everyone’s memory.
* Mark recommends at least three meetings: March, July, August, or September.
* Amie projects the Board may need 4-5 meetings, e.g. review financials April or June, and make financial decisions in August or September.
* Mark said under the RCW’s the Office of Risk Management requires a financial audit, which is different than a claims audit. He said the State Auditor’s Office has developed a financial audit procedure for this purpose that will be included in the County’s regular annual audit.
* Amie will set up a meeting in April to go over the 2020 experience report with Aon and the financials report.
* Emily would like a separate meeting to review the financials. Mark recommends moving the financials report to July. He will also provide a report on the claims audit.
* Amie is going to create a Self-Governing Board process document.
* Mande said bargaining with the coalition (9 bargaining groups) has started. The HCC MOU expires December 31, 2021.
* The MOU sets the $1,420 super composite rate PEPM. Mande has a feeling that the unions are going to ask for an increase to the composite to offset health costs.
* Sara asked if the composition of health care committee members was also up for bargaining.
* Mande said the whole MOU is up for bargaining, including the evaluation of the effectiveness of the existing HCC.
* Mande has been reviewing the County’s comparables for negotiations. For Kitsap County’s negotiations, they are recommending a $0.00 increase in the composite. The MOU affects everyone.
* Amie said there is a slight decrease in year to date experience for 2021. An increase in claims over the last couple of months made up the difference for the decrease in 2020. Claims are pretty much the same as this time last year, except for Kaiser dental claims. During the pandemic, Kaiser shut down their dental offices for several months.

**Discussion-All**

* Amie’s goal is to teach the HCC where the numbers come from. She wants to demystify what Aon does in the background to come up with the projected rates. The HCC doesn’t believe Aon is negotiating the rates with the carriers, which is a not possible on the self-insured plans. There is some negotiation with Kaiser, which is the less expensive plan.
* Amie said if the MOU is up for review, the County could negotiate to remove the composite and pay a percent of the cost. Unbundling of the composite would shift the cost balance to the Regence plan. More employees would move to the Kaiser plan as costs continue to rise on the Regence plan.
* Mark said the RCW’s require the County to offer two health plans. There is nothing in the statute that says the two plans must be equal.
* Amie said 5 members are leaving the HCC. She is working on getting replacements. She will continue to identify rich plan design benefits for the HCC to consider reducing.
* Amie thinks that membership changes of the HCC could change the dynamic of that group and could change how they feel about controlling health care costs.

Meeting Adjourned.