Self-Insurance Governing Board

Meeting Minutes

Virtual Meeting June 14, 2021

Attendance: Mark Gassaway, Finance Director

 Taylor Hallvik, Chief Deputy Prosecuting Attorney

 Mande Lawrence, Human Resources Director

 Sara Lowe, Deputy Treasurer

 Emily Zwetzig, Budget Director

 Amie Johnson, Board Chair

Maria Vergis, Scribe

Guests: Kathleen Otto, County Manager

Shelley Zhao – Aon Health Solutions

 Sarah Redford – Aon Health Solutions

 Jennifer Weddle – Aon Health Solutions

**Approval of meeting minutes from May 5, 2021-All**

* Mark Gassaway moved to approve the minutes. Sara Lowe seconded the motion. All in favor to approve the minutes.

**Financial Updates-Mark**

* Mark ran a trial balance report of the Self-Insured account from January through the end of May to see if the account is on track with revenues and expenses.
* He said the revenues are a little behind expenses. The reason could be seasonal as more people get services the first of the year.
* He said the data is on pace for what is expected, but it doesn’t look like there will be extra reserves to buy down the premiums this year.
* Emily would like to see the fund overview.
* Mark wants to wait for 6 months of data to project end of year and 6-year projections.
* Sara said there could be a sizable increase in rates.
* Mande is bargaining with the MOU HCC groups. She is looking at the numbers to see if we can get away from the super composite rate.
* Removing the composite and looking at a 88%-12% employer and employee cost share moves the costs in the wrong direction than a $1,420 cap with a 93%-7% employer and employee cost share and 50-50 split of amounts exceeding the composite.
* Mande looked at comparable jurisdictions. No other groups have $0 deductible with Kaiser and have unlimited massage and chiropractic services compared to the county’s plan.
* Most employees in the comparable jurisdictions pay around 10% of premiums compared to 12% for county employees.
* Mande is getting more parameters on the composite. She said the MOU will likely push for gradual inflation increases as the $1,420 rate hasn’t changed since 2015.
* Mark said the financial report is a preliminary projection at this time. He said the decisions of the Board are based on the 6-year projections that only impacts Regence and indirectly Kaiser.
* He said the rates for Kaiser and Regence are very similar, only a $10 difference. The Board’s ability to control and manage the Regence rate feeds into the overall premium.
* As soon as June closes, Mark can have the first 6 months of data which can provide much more meaningful projections of the revenues to expenses. He can provide this data around July 8th.
* Emily said the 5045 Fund balance policy was never adopted. She said she needs to do some more work on it.
* Mark’s 6-year projection assumes a 125% required minimum fund balance, which would be the guiding principle of the fund balance policy.
* Sara agrees that the fund balance policy needs to be formalized and adopted for rate development year over year.
* Amie said financial updates can to be presented to the Board twice a year.
* Mark said in July the Board can review the first 6 months before the rates are set.
* Amie will have the preliminary renewals in July before the final update for a vote in August or September.
* Mark recommends during the 1st quarter of the year in February or March, the Board review how the fund performed in the prior year.
* In July take first glance at current year. Review update 2 months later to decide the Regence premium.

Meeting Adjourned.