Self-Insurance Governing Board

Meeting Minutes

Virtual Meeting July 26, 2021

Attendance: Mark Gassaway, Finance Director

 Sara Lowe, Deputy Treasurer

 Emily Zwetzig, Budget Director

 Amie Johnson, Board Chair

Maria Vergis, Scribe

Absent: Mande Lawrence, Human Resources Director

 Taylor Hallvik, Chief Deputy Prosecuting Attorney

Guests: Allie Huang – Aon Health Solutions

Sarah Redford – Aon Health Solutions

**Approval of meeting minutes from June 14, 2021-All**

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

**Upcoming Meetings-Amie**

* August 9, 2021, utilization review of 2020 claims from Regence and Kaiser.
* September 22, 2021, renewals from Aon and budget discussion to determine the premium after the HCC votes on any plan design changes.

**Financial Update-Mark**

* Mark updated his model with the actuals for the last half of 2020 and first half of 2021 for the 6-year forecast.
* Utilization is trending higher than expected. He said the increase is 8% where it is usually 3-5%.
* He wanted to know if the increase in utilization was a rebound from the delay of people not getting services because of COVID.
* Amie can have Regence pull a report of COVID utilization.
* Mark said the increase in utilization is causing the model to skew. He said the premium over the next 6 years needs to increase 8% because there is a $1 million fluctuation from the usual trend.
* Mark said 2021 is trending towards an increase of $1.5 million in medical expenses/claims. The cost projection for 2021 is $18.9 million based on the first 6 months of utilization.
* Costs have increased about 50% since the full year inception of the plan in 2015 from $12.5 million to $17.6 million for 2020.
* Currently, there is no projection of a bad stop loss renewal.
* For 2022 and beyond an 8% premium escalation needs to be used for inflation.
* Mark said his model self corrects and solves for 6 years out to make sure the fund meets the reserve requirements of 125%, plus 8 weeks contingency for medical and 8 weeks contingency for dental.

**Proposed Fund Balance Policy-Emily/Mark**

* Emily is proposing a fund balance policy to the Council and County Manager.
* The County has ARPA money to cover the impact of COVID on the budget.
* Mark asked Amie to identify COVID expenses. He said they are reimbursable and can be put back into the self-insured fund.
* Sara has concerns about using ARPA funds to close the gaps when those funds will run out for future years.
* She said there is a substantial increase in cost year over year. Mark’s model builds an automatic 5% increase in the budget. She said the Board may need to increase the budget model to cover the inflationary cost of health care.
* Mark, Sara, and Emily will provide the County Manager, Kathleen Otto a financial update.
* Amie will provide Regence COVID costs. Amie said that most of COVID costs are from testing, vaccines, and office visits. There was only one hospitalization in early 2020.
* Mark wants year to date direct costs from COVID data.
* He said the Board needs to plan for ongoing increases in medical cost to adjust the premium.
* Amie will consult with Aon about health care cost trends. They can drill down the claim details from the utilization report to determine where and what costs are rising more than predicted.

Meeting Adjourned.