Self-Insurance Governing Board

Meeting Minutes

Virtual Meeting June 17,2025

Attendance: Mark Gassaway, Finance Director

Emily Zwetzig, Budget Director

Lora Provolt, Human Resources Director

Deb Wechselblatt, Deputy Prosecuting Attorney Senior

Amie Johnson, Board Chair

Maria Vergis, Scribe

Guests: Jenna Nelmark

Sarah Redford (Aon)

Jennifer Weddle (Aon)

Absent: Sara Lowe, Deputy Treasurer

**Introduction of new board member-Amie**

* Deb Wechselblatt from the PA’s office is new to the board. The vacancy for this position was originally created when Leslie Lopez became a District Court Commissioner.
* Chris Cook attended one meeting as the Chief Civil Prosecuting Attorney. Deb was chosen to replace Chris.
* Mark asked if it was ok to have someone on the board who wasn’t the Chief Civil Prosecuting Attorney. He wants to make sure the board is operating within the legal provisions of the Charter.
* Amie thinks the Charter specifies a Chief Civil Prosecuting Attorney for the board.
  + Amie will have to review the Charter and Deb will take a look at the Charter as well.

**Approval of meeting minutes from 1/27/25-All**

* Mark Gassaway moved to approve the minutes.
* Emily Zwetzig seconded the motion.
* Deb Wechselblatt abstained.
* All in favor from the other three board members present, the minutes were approved.

**Fund Review-Mark**

* The first analysis of the fund is usually reviewed after June has closed, which won’t happen for a few more weeks.
* The fund was reviewed at year end. The revenues and expenses were either on or over budget.
* The projection at year end was based on actuals so it appears the fund is on track. Mark doesn’t think there’s any financial concerns with the self-insurance reserve right now.
* He will be interested to see how the fund is tracking for the first six months of the year, but for now he doesn’t have any concerns to report based on the actual results from last year.
* Mark told Emily that what he’s planning for the budget this year should be fine.
* For the next meeting, Mark will have the fund analysis updated.

**Plan Design Update-Amie**

* The HCC will be voting in July on whether to add another enrollment tier. Some employees have asked in surveys and the HCC if another family enrollment tier can be added to the plans.
* Currently the enrollment tiers are employee only, employee + 1, and employee +2 or more.
* Employees that cover one child pay the same rate as an employee covering a spouse, but statistically spouses cost the plan more money than a child.
* Most of the comparable counties that are used for benchmarking benefits have four enrollment tiers.
* Adding this enrollment tier would put the county in line with other comparable counties and the private sector.
* Adding a tier doesn’t change total costs, but it would give an employee plus child or children a little bit of a premium reduction because the cost is re-allocated to the employee + spouse tier that utilizes more of the plan costs.
* Amie will need a vote on this proposed change by next month, so there is enough time to get Workday programmed before open enrollment begins.

**2024 Plan Experience-Sarah Redford**

* December 31, 2024, IBNP
  + There was an increase in the estimated IBNP claims calculation from the prior year. This increase was mostly due to the increase in enrollment into the Regence plan over the last few years. People have been migrating out of the Kaiser plan causing a little bit more cost to the self-funded plan.
  + Trend has also been increasing so more reserves are needed for IBNP claims.
  + The IBNP for dental is minimal and hasn’t changed too much year over year but is steadily increasing as inflation continues.
  + The total increase from 2023 for the IBNP was 13.1%, which was an increase of $283k.
  + Mark said the IBNP number gets built into the county’s financials every year. The incremental amount that gets accrued is part of the reserve. He wanted the board to know that he looks at this number every year and it's being booked as an entry before the fiscal year is closed.
* Financials-2025 Renewal Recap
  + The original Medical/Rx rate increase was 8.05%. The board approved a 3.5% rate increase.
  + The Regence ASO fee (Administrative Services Only) increase was 1.5%.
  + The stop loss renewal was 22.1%, which was a lot higher than expected. There was no change to the stop loss limit. It stayed at $200k.
    - The number of large claims have increased in terms of frequency, but not severity as more people reach the $200k limit each year.
    - Aon will continue to monitor this trend year over year.
  + The Kaiser increase was 15%. Over the last two years, Kaiser has had double digit renewals.
  + The original increase recommendation for Delta Dental was 22.3%. The board approved a 6.57% increase based on reserves in the fund.
  + Kaiser offered a 2% decrease in rates for the dental plan.
  + VSP for vision came in at a 12% increase. This was mostly due to the increase on the frame allowance frequency from every 24 months to every 12 months.
  + For FSA/HSA administration, the group is in the 2nd year of a 3-year rate guarantee.
  + The group is also in the 2nd year of a 3-year rate guarantee with Canopy for EAP services.
  + By moving the Life and Disability coverage from The Standard to Voya, the county saw a 51.4% decrease in rates.
    - Mark asked what caused such a big drop in rates.
    - Amie said that it was time to go out for an RFP, like normal practice to make sure the county continues to get good rates and services.
    - She said during the RFP process it was discovered that the county wasn’t getting the best rates in the market, so we changed to Voya. The estimated savings are $1.3M over 3 years for the county and employees who purchase supplemental benefits.
    - Amie said the RPF did what it was supposed to do. It showed that the county wasn’t getting the best rates that were available in the market.
* 2024 Plan Year Performance
  + The Regence MOU group, which has the majority of enrollment, ran at 104.2% of actual versus expected cost , which included the blended performance of the PPO and HDHP plans.
  + The other union group came in at 78% of actual versus expected cost.
  + For all groups combined, the plan ran at 99.1% of actual versus expected cost, which came in just below budget.
  + Delta Dental came in at 122.4% of actual versus expected cost. The rates for Delta dental have come in much higher year over year because the rates have been artificially lowered to reduce excess dental reserves.
  + Kaiser reported that the medical plan had a loss ratio of 98.8% (claims/premiums).
  + The Kaiser dental loss ratio was 83.8%. This is closer to Kaiser’s preferred target of 80 and 85% loss ratio. Kaiser uses this difference to account for their costs and administrative fees.
  + VSP’s loss ratio came in at 88.6%.
  + There were 7 claimants that hit the stop loss deductible of $200k. The county received claims credit for $957k in stop loss reimbursements from Regence.
  + The Regence plan performed a little bit better in 2024 compared to 2023. The 2023 plan ended at 101% of actual versus expected cost, and the group had 10 large claimants above $200k.
  + Overall, the plans are doing pretty good being close to budget year over year.
  + The top 20 large claimants came from the PPO plan in 2024. There were no high-cost claimants on the HDHP, which is about 10% of the group’s enrollment. Large claims drive a majority of plan costs.
  + The Kaiser medical/Rx plan performance report shows the loss ratio from total claims paid versus total expected cost per month.
    - The report doesn’t show Kaiser’s pooling point (stop loss deductible) or account for reimbursements they would have provided for large claims.
    - Based on the 98.8% loss ratio, the renewals for 2025 came in at 15%. The higher renewal is Kaiser trying to recover their losses and get the loss ratio back down in the 80% range.
  + The Kaiser dental plan has been running very well for the last the few years and is within the loss ratio target.
  + The vision plan performance report (VSP) includes an accounting of retention fees that are built into their cost even though the plan is fully insured.
    - VSP likes to show in their reporting the fees they would account for if the group were to ever move to a self-funded plan.
    - The report shows the plan was running at a surplus for 2024 with retention fees and premiums.
  + Mark asked about the Kaiser medical report that showed a 146.2% loss ratio for March of 2024.
  + Sarah said it was most likely a large claim that happened or that was paid out during the month of March. She will double-check the reporting to see what information Kaiser provides as the driving cost.
  + Mark said without the March data the group would be pretty close to Kaiser’s medical loss target.

**Plan Membership-Amie**

* Beginning with the 2025 plan year, the county separated the Regence and Kaiser premiums instead of average costing for one rate by enrollment tier.
* Amie wanted to assess how this change impacted plan movement during open enrollment.
* Plan Movement Summary
  + 9 people who were in a plan opted out.
  + 19 people who previously opted out enrolled.
  + 5 people moved from Regence to Kaiser.
  + 28 people moved from Kaiser to Regence. Amie said this level of movement is in line with what she has seen in the past couple of years.
  + She said it’s hard to tell if people moved to Regence because of the premiums or because they were unhappy with Kaiser or wanted a different care model.
  + The plan movement has been consistent year over year.
  + There were 26 people who moved from the PPO/Traditional to the HDHP, which may be directly related to the county increasing the HSA employer contribution.
  + She thinks more employees are seeing the value of the HDHP since premiums are lower and they receive a county contribution. This has been the biggest movement ever from a traditional plan to the HDHP.
  + 21 people moved from a HDHP to a PPO/Traditional so the net gain in the HDHP plan is 5 people.
  + Amie will continue to watch plan movement numbers every year.

Meeting adjourned.