

WASHINGTON COUNTIES INSURANCE FUND/POOL
COMBINED BOARD MEETING MINUTES

Thursday September 13, 2007
Doubletree Hotel at SeaTac
SeaTac, Washington

BOARD MEMBERS PRESENT:

Dean Burton, Garfield County Commissioner
Mac McDowell, Island County Commissioner, WCIF Vice Chair
Alan Crankovich, Kittitas County Commissioner
Richard Graham, Lewis County Commissioner
Jon Kaino, Pacific County Commissioner
Dave Carey, Walla Walla County Commissioner, WCIP Vice President
George Trott, Wahkiakum County Commissioner
Jerry Finch, Whitman County Commissioner
Belinda Price, Olympic Area Agency on Aging, WCIP President
Sandy Ward, Behavioral Health Resources
Paul Eichenberg, Spokane Library District
Rich Park, Timberland Regional Library

Absent: Max Benitz, Benton County Commissioner
Dwight Robanske, Columbia County Commissioner, WCIF Chair
Kathleen Johnson, Cowlitz County Commissioner
Ken Oliver, Pend Oreille County Commissioner

OTHERS PRESENT:

Melina Wenner, Benton County Alternate
Lisa Heinrich, Columbia County Alternate
Larry Larson, Island County Alternate
Larry Grove, Pacific County Alternate
Terri Miller, Pend Oreille County
Nadya DeGrande, Cowlitz County Alternate
Jay Winter, Walla Walla County Alternate
Mike Shelton, WCIF Executive Director
Krista Whitaker, WCIF Director of Benefits & Sales
Lorene Satran, WCIF Finance & Benefits Administrator
John & Gerti Garner, Garner Consulting

I. OPENING OF MEETING, INTRODUCTIONS & WELCOME

Vice Chair Mac McDowell opened the WCIF Board meeting at 9:30 am and President Belinda Price opened the WCIP Board meeting immediately thereafter. Everyone present introduced themselves.

II. APPROVAL OF MINUTES (AUGUST 16 WCIP/WCIF MINUTES)

WCIF/WCIP minutes not approved at this time.

Corrections to be made and minutes will be reviewed at the November board meeting.

III. RECOMMENDATIONS FOR 2008 RENEWAL

WCIP POOL MEDICAL PLANS

John and Gerti Garner explained the results from their recent utilization review providing the results. They shared their opinions on what was driving the higher than expected increase in the rates for the WCIP PPO medical plans.

There is an 11% increase in dependents for 2007. The review was done using the new groups vs. the existing groups. Utilization is high among the new groups signed on in 2007.

Garner Consulting recommends that we go with the average 8% increase overall with the exception of the Standard composite rate increase of 25%. They explained that if we do not we run the risk of losing the new groups with the good experience. This could potentially cause higher increases from year to year.

Motion made by Dave Carey and seconded by Jerry Finch to approve the WCIP PPO Medical Plan rates with an 8% increase. Motion carried.

There was discussion on the composite rates and what impact they may have on the 2008 plan year. There was a suggestion by Mike Shelton to freeze new enrollment on the composite rates for the PPO Medical Plans for a year.

Motion made by Paul Eichenberg and seconded by Jerry Finch to limit enrollment with composite rates for existing groups and new employers that have 100% employer paid benefits. 4 for & 5 against. Motion failed.
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There was discussion to allow only existing groups that have offered the composite rates in 2007 to continue into 2008. Employers that did not offer the composite rate in 2007 will not be able to do so in 2008. Discussion to not allow ANY new groups whether they are 100% employer paid or not.

New Motion

Motion made by Mac McDowell and seconded by Dave Carey to limit enrollment with composite rates for existing groups only that offered the composite rate in 2007. No new enrollment into the composite rates at all in 2008. 8 for & 1 against. Motion carried.

There was discussion about the rates for the WCIP Pool plans. Historically, there was a true pool rate and then a 5% reduction or 5% addition based on the average age of the group.

Mike Shelton suggested that we do away with that and have one true pool rate with an option to have a risk adjustment to the pool rate for those groups that may not have the best claims experience. The risk adjustment would allow the group to come on with a higher rate until their experience is in line with the true pool rating. Once the experience is such, the group can be brought down to the true pool rate.

Motion made by Rich Park and seconded by Rich Graham to do away with the 5% increase and decrease program for the WCIP PPO Medical Plan rates. Motion carried.

Mike will bring in a policy detailing the new “true pool” medical plan rates and the risk adjustment procedure and guidelines to the November 8, 2007 board meeting for approval at that time.

Mike also explained that Garner Consulting had a provision within the contract with WCIF to provide underwriting services. We will now be taking advantage of that service.

Garner also suggested that we increase the Symetra attachment point. He explained why it was necessary.

Motion made by Dave Carey and seconded by Paul Eichenberg to allow Mike Shelton to negotiate with Symetra to increase the attachment point. Motion carried.

WCIP POOL MEDICAL PLANS

John Garner informed the board that Group Health Options had announced a change with their rates for retirees. In the past, there was a lower rate for those retirees with Medicare coverage. As of 2008, GHC no longer has a separate rate for pre and post 65 retirees. There is one retiree rate whether or not they have Medicare.

Discussion about the Delta Care through WDS and whether or not we will continue to offer it now that we are offering Willamette Dental Plan. There are two groups that currently have Delta Care.

Motion made by Dean Burton and seconded by Nadya DeGrande to allow the two groups currently enrolled on the Delta Care to remain and to close the plan to new enrollment. Motion carried.

IV. EXECUTIVE DIRECTOR REPORT

Mike Shelton announced the settlement of the Grays Harbor PDA lawsuit.

Motion made by Jerry Finch and seconded by Rich Park to acknowledge the settlement agreement signed by Mike Shelton. Motion carried.

Mike explained that the Board of Director term assignments will be extended to the November board meeting.

V. FINANCIAL REPORTS

Mike Shelton provided written reports for both the Fund (Unaudited) & Pool (Audited)

Mike also gave an update on the upcoming WCIF audit with the State Auditor's Office. Indicated it would be beginning in the next few weeks.

We also asked the board for approval for Mike to be added to sign checks for both the Fund and Pool.

Motion made by Jon Kaino and seconded by Rich Graham to allow Mike to sign checks for the Fund. Motion made by Jerry Finch and seconded by Rich Graham to allow Mike to sign checks for the Pool. Both motions carried.

VI. STRATEGIC PLANNING FOR 2008

The tentative meeting schedule for 2008 distributed to those present.

Mike explained that our contract with Garner Consulting will be in effect until 2008.

Mike presented two RFP's for IT services provided to WCIF.

- Olympic Computer Central
- South Sound Technology Group

Motion made by Jon Kaino and seconded by Mac McDowell to allow Mike to negotiate IT services through Olympic Computer Central. Motion carried.

Mike relayed the information regarding the PERS retirement plan. Asked the board to approve the change from the current retirement plan to the PERS plan.

Motion made by Jon Kaino and seconded by Rich Graham to allow Mike to facilitate the changing of retirement plans to the PERS retirement plan. Motion carried.

Mike also presented his analysis of our current investments with Raymond James verses the investment with LGIP. Mike asked that the board consider allowing us to re-consider our current investment policy to discuss at the November board meeting.

Mike also shared information on annual training for the board members and suggested that we allow a budget for such training. Asked if the board was interested in ongoing education. Board was willing and suggested that a few members go to the upcoming event in October and report back to the board.

Both the WCIP and WCIF boards went into executive session at 11:33 am

The WCIF and WCIP Board Meeting was reconvened at 12:00 pm

Executive Director, Mike Shelton is given the budget authority to hire an Accountant and a Benefits Specialist during the 2007 budget year.

VI. ADJOURNMENT

The meeting was adjourned at 12:30 pm.

MINUTES APPROVED November 8, 2007 by WCIF and WCIP Boards

Dwight Robanske, WCIF Chair

Mac McDowell, WCIF Vice Chair

Belinda Price, WCIP President

Dave Carey, WCIP Vice President