

WASHINGTON COUNTIES INSURANCE FUND
BOARD MEETING MINUTES
Thursday, March 10, 2016
Marcus Whitman Hotel
Walla Walla, WA

BOARD MEMBERS PRESENT:

Dwight Robanski, Columbia County Commissioner
Brad Miller, Ferry County Commissioner
Wynne McCabe, Garfield County Commissioner
Helen Price Johnson, Island County Commissioner
Obie O'Brien, Kittitas County Commissioner, WCIF Executive Chair
Bill Schulte, Lewis County Commissioner, WCIF Chair
Shannon Moore, Northshore Fire Department
Karen Skoog, Pend Oreille County Commissioner
Greg Knight, Rural Resources Community Action Council
Randy Rollins, Spokane Housing Authority
Don Dashiell, Stevens County Commissioner, WCIF Vice Chair
Blair Brady, Wahkiakum County Commissioner
Jim Johnson, Walla Walla County Commissioner
Karlyn Shannon, Washington State Association of Counties
Michael Largent, Whitman County Commissioner
Jim Fields, Vera Water and Power
Darlene Charbonneau, Yakima Valley Libraries

BOARD MEMBERS ABSENT:

Shon Small, Benton County Commissioner
Mike Karnofski, Cowlitz County Commissioner
Steve Rogers, Pacific County Commissioner

OTHERS PRESENT:

Lisa Ronnberg, Columbia County Alternate
Stephanie Dunn, Cowlitz County Alternate
Bob Johnson, Garfield County Commissioner, Alternate
Melanie Bacon, Island County Alternate
Larry Grove, Lewis County Alternate
Shelly Peters, Pend Oreille County Alternate
Amanda Carpentier, Spokane Housing Authority Alternate
Dena Schueler, Walla Walla County
Jon Kaino, WCIF Executive Director
Kathi Rauch, WCIF Finance Director
Terri Luther, WCIF Deputy Director
Kimberly Beahler, WCIF Senior Account Executive
Janée Knigge, WCIF Wellness Coordinator
John Wallen, DiMartino Associates
Marcus Morrell, DiMartino Associates
Molly McHugh, DiMartino Associates
Nicole Horgan, Vivacity
Dave Domholt, Group Health

I. OPENING OF MEETING, WELCOME AND INTRODUCTIONS

WCIF Chair Bill Schulte opened the Washington Counties Insurance Fund (WCIF) Board of Trustees meeting at 8:34 AM and everyone present introduced themselves.

II. CHANGES OR ADDITIONS TO THE AGENDA

WCIF Chair Bill Schulte gave those present an opportunity to make changes or additions to the agenda. No changes or additions were presented.

III. APPROVAL OF MINUTES FROM THE NOVEMBER 5, 2015 MEETING

Motion made by Blair Brady and seconded by Michael Largent that the WCIF minutes for November 5, 2015 be approved. No further discussion. Motion carried unanimously.

IV. EXECUTIVE DIRECTOR REPORT

2016 Trustee Manual Updated and on Website

Jon Kaino informed the Board that the 2016 WCIF Trustee Manual is updated and posted to the WCIF website.

Cedarbrook Refund

Jon Kaino reported that per the direction of the Board, west side Board meetings were moved from the Cedarbrook to the DoubleTree for 2016. However, deposits were made with the Cedarbrook to hold the 2016 meeting dates. Contracts with Cedarbrook stated that the deposit was non-refundable unless there was cause. Jon wrote a letter to the Cedarbrook to request a refund of the deposit as the cancellation was related to poor service. The Cedarbrook issued a full refund of the deposit to WCIF.

Conflict of Interest Policy

All Board members and alternates were provided with and requested to sign and date the Conflict of Interest Policy.

Final 2016 Meeting Schedule

It was noted that the 2016 Meeting Schedule is included in the packet and incorporates the changes the Board approved at the November 2015 meeting.

Prime Network – Seattle Cancer Care Alliance

Jon Kaino stated that while originally designated as out-of-network for 2016, effective January 1, 2016, Seattle Cancer Care Alliance has contracted with Premera's Prime Network as an in-network provider.

Cadillac Tax Deferral

Jon advised that implementation of the Cadillac Tax has been delayed another two years to 2020.

RFP for TPA Services

The issue of preparing an RFP for third party administration (TPA) services was brought up for discussion. The Board elected in 2015 to defer discussion of an RFP until 2016. Currently, there is a general satisfaction with the

current TPA, Benefit Solutions, Inc. (BSI) and it was not felt that a full RFP process was necessary. It was suggested that a performance evaluation might be more appropriate under the current circumstances. While there is not clear guidance on the frequency for WCIF to go out to bid on TPA services, there is a general sense that it would be prudent to review and evaluate the services and cost from time to time.

Motion made by Blair Brady and seconded by Dwight Robanski to move forward with a 2017 RFP process for 2018 effective date. Motion was retracted by both Dwight Robanski and Blair Brady.

Motion made by Dwight Robanski and seconded by Obie O'Brien to conduct a performance evaluation of BSI in 2016 and after, if warranted, an RFP would be conducted in 2017 for a January 1, 2018 effective date. Some discussion regarding whether an evaluation process would suffice in lieu of a full RFP process and if we should have our attorney provide an opinion on this issue. Motion carried unanimously.

BSI/Ameriflex – CDHP Plans

Jon Kaino reported that effective June 1, 2016, BSI will transition the FSA & HSA plans to the Ameriflex claims filing system. Sample communications announcing this change are included in the Board packets for review and will be sent out to groups over the coming weeks and months. New cards will be sent out to all participants. Ameriflex will replace the current system, Evolution1.

Colonial Life Proposal

Jon Kaino stated that with the change to Ameriflex, WCIF was approached by Colonial Life with a proposal for WCIF member groups. Groups with over 10 lives that offer at least two Colonial Life products to their employees would receive an ID protection program to all employees. For groups with more than 75 lives, the group could elect to have Colonial Life pay the CDHP administrative fee to BSI for one year. Colonial Life would require face to face meetings with at least 75% of the employee population annually. They would also require that they be the only voluntary plans offered by the employer using payroll deductions. Only new groups to Colonial Life would be eligible. There was some discussion and questions regarding the sole provider requirement and how it would impact other products currently offered by some member groups.

Motion made by Wynne McCabe and seconded by Helen Price Johnson to decline the Colonial Life offer. No further discussion. Motion carried unanimously.

It was noted that no action had been taken on the earlier presented 2016 WCIF meeting schedule.

Motion made by Brad Miller and seconded by Randy Rollins to approve the final 2016 Meeting Schedule. No further discussion. Motion carried unanimously.

V. MARKETING REPORT

Terri Luther reported that WCIF has been actively quoting and is bringing on a new group mid-year.

Terri informed the Board that WCIF is hoping for more quoting opportunities with an upcoming change expected to Premera's non-compete policy as it relates to other associations. Currently, if Premera provides medical coverage through another association, WCIF has been unable to quote under the non-compete. Under the new rules (which are still being developed), we believe WCIF will be allowed to quote groups whose medical coverage is through another Premera association plan.

Terri stated that under ACA rules, there was scheduled to be an expansion of the small group market to include groups from 51-100 lives. However, those rules were recently changed and that additional market did not open up as expected.

Terri advised the Board that there will be a minor change to the WCIF account executives' book of business as she will be handing over some groups to Lisa Sbai and Kimberly Beahler in order to free up more time for marketing to new groups.

Terri reported that we are looking forward to hosting the 2016 WCIF Benefits Summit at Suncadia Lodge in Cle Elum on April 20 & 21, 2016. The response to our wellness and legislative agenda has been great and we are looking forward to many of our members, and some prospects, being in attendance.

VI. WCIF FINANCIAL REPORTS: YEAR-END 2015

GASB 68 Impacts

Jon Kaino and Kathi Rauch presented the year-end 2015 WCIF Financial Report. The most notable impact for 2015 was the new GASB 68 reporting requirement where the state retirement pension liability (for PERS) needs to be reported on the financial statement. While this line item has no impact on WCIF's cash position or operating budget, it does impact the financial reports and net position.

Motion made by Blair Brady and seconded by Helen Price Johnson to approve the 2015 year-end WCIF Financial Reports as presented. No discussion. Motion carried unanimously.

Transition to Umpqua Bank

Kathi Rauch advised the Board that all of the Bank of America accounts are now closed and have been fully transitioned to Umpqua Bank.

VII. GROUP HEALTH PRESENTATION: ACCESS PPO

Dave Domholt presented information on Group Health's new Access PPO plans and network, which will replace the WCIF Options plans and network effective January 1, 2017. The Access PPO plans will be available to members throughout Washington. HMO plans will continue to be offered only within the approved Group Health service area.

The Kaiser Permanente acquisition of Group Health was also briefly discussed. Branding will eventually be changed from Group Health to Kaiser. The offering of both HMO and PPO plan structures is projected to continue under Kaiser.

VIII. VIVACITY MANAGEMENT REPORT

Nicole Horgan from Vivacity presented the 2015 Vivacity Management Report. In 2015, there was increased participation in our wellness programs including: WCIF wellness grants, wellness challenges, on-site health screening events, and health assessment completers. 47 WCIF groups participating in medical met the 40% participation requirement, with an additional 12 groups with some level of participation. (Note: 52 groups actually met the 40% participation requirement.)

The results of the management report will be used to continue to refine the Live Well at WCIF wellness program to increase participation, member satisfaction, and ultimately to decrease plan utilization by creating a healthier, more engaged member population.

IX. 2015 CLAIMS EXPERIENCE REPORT

Marcus Morrell from DiMartino Associates presented the 2015 Premera and Group Health experience. Molly McHugh from DiMartino Associates presented the 2015 experience for all other lines of coverage.

X. CFR WITHDRAWAL PROPOSAL

Jon Kaino reported that the Claims Fluctuation Reserve (CFR) for the long term disability (LTD) plan with The Standard has reached a 2015 Policy Year balance in excess of \$2.1 million. A minimum balance of one year's premium must be held in the account to receive the lowest risk charge. Currently, that amount is approximately \$550,000, leaving a surplus of approximately \$1.6 million. If the surplus funds are kept in the CFR account they are subject to withdrawal by The Standard if the plan runs at a deficit in the future. If WCIF withdraws the surplus funds and deposits them in the LGIP, those funds are protected.

Motion made by Helen Price Johnson and seconded by Obie O'Brien to withdraw the surplus funds in the CFR down to the contractual minimum necessary to maintain the lowest risk charge, and move the surplus funds to the LGIP. Some discussion. Motion carries unanimously.

Jon Kaino gave a quick recap of the meeting takeaways for the WCIF Executive Committee to address at their May meeting:

1. BSI review/evaluation process
2. Proposals for possible projects/enhancements with CFR withdrawal funds
3. Alternative investment options to LGIP
4. Review of 2017 preliminary renewal

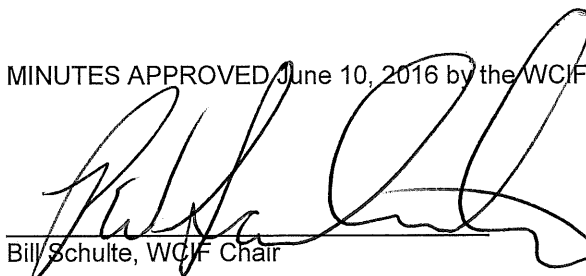
XI. NEXT MEETING


Pre-Meeting Workshop and WCIF Board of Trustees Meeting
June 9 and 10, 2016 at the DoubleTree Suites Southcenter in Seattle

XII. ADJOURNMENT

WCIF Chair Bill Schulte adjourned the meeting at 12:44 PM.

MINUTES APPROVED June 10, 2016 by the WCIF Board of Trustees.


Bill Schulte, WCIF Chair


Don Dashiell, WCIF Vice Chair