

WASHINGTON COUNTIES INSURANCE FUND  
BOARD MEETING MINUTES  
Friday, August 14, 2015  
Cedarbrook Lodge  
SeaTac, WA

BOARD MEMBERS PRESENT:

Brad Miller, Ferry County Commissioner  
Helen Price Johnson, Island County Commissioner  
Obie O'Brien, Kittitas County Commissioner, WCIF Chair  
Bill Schulte, Lewis County Commissioner, WCIF Vice Chair  
Mike Karnofski, Cowlitz County Commissioner  
Shannon Moore, Northshore Fire Department  
Lisa Ayers, Pacific County Commissioner  
Karen Skoog, Pend Oreille County Commissioner  
Greg Knight, Rural Resources Community Action Council  
Randy Rollins, Spokane Housing Authority  
Don Dashiell, Stevens County Commissioner  
Rick Homchick, Timberland Regional Library  
Jim Fields, Vera Water and Power  
Blair Brady, Wahkiakum County Commissioner  
Karlyn Shannon, Washington State Association of Counties

ABSENT:

Shon Small, Benton County Commissioner  
Lexi Wingfield, Benton County Alternate  
Dwight Robanske, Columbia County Commissioner  
Jim Johnson, Walla Walla County Commissioner  
Michael Largent, Whitman County Commissioner

OTHERS PRESENT:

Karlee Ainsworth, Benton County  
Lisa Ronnberg, Columbia County Alternate  
Bob Johnson, Garfield County Commissioner Alternate  
Melanie Bacon, Island County Alternate  
Larry Grove, Lewis County Alternate  
Rachel Patrick, Pacific County Alternate  
Shelly Peters, Pend Oreille County Alternate  
Amanda Carpentier, Spokane Housing Authority Alternate  
Sheila Eslinger, Walla Walla County Alternate  
Kelli Campbell, Whitman County Alternate  
Jon Kaino, WCIF Executive Director  
Terri Luther, WCIF Deputy Director  
Kathi Rauch, WCIF Finance Director  
Kimberly Beahler, WCIF Senior Account Executive  
Janée Knigge, WCIF Wellness Coordinator  
John Wallen, DiMartino Associates  
Molly McHugh, DiMartino Associates  
Nicole Horgan, Vivacity  
Amber Rust, Vivacity

## I. OPENING OF MEETING

WCIF Chair Obie O'Brien opened the Washington Counties Insurance Fund (WCIF) Board meeting at 8:37AM and everyone present introduced themselves.

## II. CHANGES OR ADDITIONS TO THE AGENDA

No changes to the agenda.

## III. APPROVAL OF MINUTES FOR JUNE 5, 2015 MEETING

Motion made by Randy Rollins and seconded by Bob Johnson that the WCIF minutes for June 5, 2015 be approved. No further discussion. Motion carried unanimously.

## IV. EXECUTIVE DIRECTOR REPORT

### OIC Appeal Decision and Status

Jon Kaino stated that this issue was discussed at length at the workshop, but the overall result is that WCIF won the appeal with the Office of the Insurance Commissioner and may continue to conduct business as usual.

### Executive Director Visits

Jon Kaino reported that he has been visiting groups and will continue visits over the coming weeks.

### East Side Board Meeting Proposal

Jon Kaino presented the Board with the option of moving the east Board meetings from Pasco to Walla Walla. Jon indicated that the cost would be about the same and that flights were available to accommodate our meeting times. The staff is recommending the change as Walla Walla County is a member of WCIF.

Motion made by Blair Brady and seconded by Karen Skoog to accept WCIF staff recommendations to move the WCIF east side board meetings (March & November) to Walla Walla beginning in 2016 . Some discussion. Motion carried unanimously.

### TPA Rate Proposal

Jon Kaino presented the proposed contract with Benefit Solutions, Inc. (BSI) for 2016 third party administrative (TPA) services. BSI has provided these services since 2011 and this is the first fee increase. The overall impact is approximately 6.5%.

Motion made by Blair Brady and seconded by Lisa Ayers to accept the proposed BSI TPA services contract for one year at an overall 6.5% increase. No further discussion. Motion carried unanimously.

## V. WEBSITE RE-DESIGN PREVIEW

Kimberly Beahler reported that WCIF has been working with 314media out of St. Louis, MO on the new WCIF website. The board was presented with a proof of the newly re-designed WCIF website homepage. Launch of the new site is anticipated to rollout with the renewal in September.

## VI. MARKETING REPORT

### Health Care Reform Seminar Report

Terri Luther reported that the Health Care Reform Seminar held on July 29, 2015 in Yakima, WA was a huge success with 96 participants. Howard Bye-Torre from Stoel Rives and Molly McHugh and John Wallen from DiMartino Associates presented at the meeting and were well received. The WCIF carriers, who supported the event, were also present.

### Marketing Outlook

Terri also advised the Board that WCIF will begin releasing quotes for 2016 as soon as possible after board approval of the 2016 renewal. Due to OIC concerns restricting the ability to market, growth isn't anticipated to be as great in 2016 as in previous years.

### February ACE Meeting Discussion

Terri Luther presented the Board with an additional proposed change to the meeting schedule. The proposal would eliminate the two ACE meetings in February and the Health Care Reform Seminar in July and combine the meetings into a 2-day, one location meeting sometime in April or May. Spring visits and the west /east ACE meetings in September would not change.

Motion made by Brad Miller and seconded by Bill Schulte to approve the change in the schedule to cancel the February ACE and July Health Care Reform Seminar into a single, two-day meeting to be held after the March board meeting. Some discussion. Motion carried unanimously.

## VII. WCIF FINANCIAL REPORTS

### 2<sup>nd</sup> Quarter Financials

Jon Kaino and Kathi Rauch presented the 2015 second quarter financial statements. The budget performance over the first six months exceeded expectations. Legal costs related to the OIC appeal exceed the budget, but overall, WCIF is currently running under budget due to slightly than higher revenue from growth. Expenses the second half of the year from the regular activities will run higher than the first half of the year due to wellness grants, Vivacity wellness expenses, as well as travel and marketing costs.

The Board tasked the Executive Director and Executive Committee with developing financial policies to help guide future discussion about special projects and reserves.

Motion made by Brad Miller and seconded by Helen Price Johnson to approve the 2015 2<sup>nd</sup> Quarter Financial Statements as presented. No further discussion. Motion carried unanimously.

### State Audit Update

The State Auditor began the WCIF audit in July. The Board is invited to attend the Exit Conference on September 8, 2015 at 11AM. Board members are encouraged to call in if they cannot attend in person. The auditor anticipates no findings or management letter issues.

## VIII. HIPAA AUDIT REPORT

Kimberly Beahler reported that WCIF has completed the annual Security Risk Analysis and staff is remediating the limited number of items brought forward in the analysis. Kimberly noted that she has officially been designated

as the WCIF Security Officer and will serve as the WCIF Privacy Officer as well. WCIF will also be evaluating the current standing as a covered entity to determine, now that the self-insured plans are closed, whether to continue on as a covered entity, or if the status is now that of a business associate.

The Board would like WCIF to produce a one page summary of the compliance activities WCIF performs for HIPAA. The Board also requested WCIF also develop HIPAA training for WCIF members.

## IX. WCIF WELLNESS PROGRAM UPDATE

### Current Participation

Janée Knigge presented the current wellness participation. The Live Well at WCIF wellness program has awarded more grants, hosted more biometric testing clinics, and already increased participation since 2014. Janée anticipates that by November, there will be a significant increase in the level of employee participation, leading to more groups meeting the 40% participation and receiving the 4% premium rate reduction and more employees receiving the \$150 deductible credit in 2016.

### 2016 Incentive Proposal

Janée Knigge in conjunction with Nicole Horgan from Vivacity, presented an incentive strategy for the Board to consider for 2016. The proposal maintains the incentive at the group level (4% premium rate reduction for 40% participation), but changes the incentive on the employee level from a deductible credit to a cash incentive for participation. The Board indicated it supports moving forward with developing the proposed recommendations for presentation at the November meeting.

## X. 2016 RENEWAL PROPOSALS

Molly McHugh and John Wallen from DiMartino Associates presented the 2016 renewal information which included updated utilization data and a reminder on the general renewal outlook and timeline.

Motion made by Blair Brady and seconded by Bill Schulte to approve the Group Health 2016 medical renewal with an approximate 6.5% increase on Active plans (8.25% on HDHP) and a 13.85% increase on the Retiree plans inclusive of a 0.25% increase in the WCIF Administrative Fee. There was additional discussion and debate regarding the proposed 0.25% administrative fee increase included in the medical renewals (2.0% to 2.25%). Some Board members felt the increase was not necessary due to the availability of fund balance to offset the budget impacts of the proposed cash wellness incentives and other cost increases such as the new TPA contract. The Board reiterated its earlier direction that a formal policy be developed regarding the appropriate amount and usage of the WCIF fund balance. . Motion carried with some opposition (5 nays).

Motion made by Lisa Ayers and seconded by Bill Schulte to approve the Premera 2016 medical renewal with an 8.75% increase on the Heritage Plus Network and 2.75% increase on Prime Network inclusive of a 0.25% increase in the WCIF Administrative Fee. The network choice would be made at the employer level. Limited discussion. Motion carried with limited opposition (1 nay).

Motion made by Bill Schulte and seconded by Mike Karnofski to approve reducing the copay to \$10 for members utilizing TelaDoc services in 2016 except for members enrolled on the HDHP medical plan. No further discussion. Motion carried unanimously.

Motion made by Helen Price Johnson and seconded by Brad Miller to approve increasing the number of rate bands to 25 on both the Premera and Group Health rating models. Some discussion. Motion carried unanimously.

Motion made by Blair Brady and seconded by Bob Johnson to approve a rate pass for Delta Dental Active and Retiree plans and change the Retiree Plan 499, Island County Plan 502 and Wahkiakum County Plan 501 to the PPO Platform. It was noted that changing the plan platforms would have no impact on the plan enrollees. No further discussion. Motion carried unanimously.

Motion made by Blair Brady and seconded by Randy Rollins to approve a rate pass for Active and Retiree Willamette Dental plans. No further discussion. Motion carried unanimously.

Motion made by Bill Schulte and seconded by Lisa Ayers to approve a rate pass for all lines through The Standard for 1/1/2016-1/1/2018. No further discussion. Motion carried unanimously.

Motion made by Blair Brady and seconded by Lisa Ayers to authorize the Executive Director to negotiate final renewal package for the Medicare supplemental plans. No further discussion. Motion carried unanimously.

#### XI. NEW BUSINESS ANNOUNCEMENTS

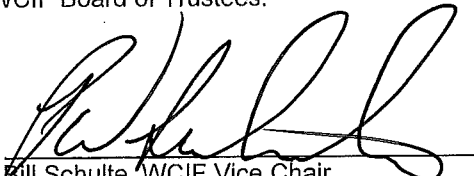
Pre Meeting Workshop and WCIF Board of Trustees Meeting  
November 4 & 5, 2015 at the TRAC Center, Pasco, WA

#### XII. ADJOURNMENT

Obie O'Brien adjourned the meeting at 11:47AM.

MINUTES APPROVED November 5, 2015 by the WCIF Board of Trustees.

  
Obie O'Brien, WCIF Chair

  
Bill Schulte, WCIF Vice Chair