

WASHINGTON COUNTIES INSURANCE FUND
BOARD MEETING MINUTES
Friday, August 12, 2016
DoubleTree Suites
Seattle, WA

BOARD MEMBERS PRESENT:

Bill Schulte, Lewis County Commissioner, WCIF Chair
Steve Rogers, 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, WCIF Vice Chair
Blair Brady, Wahkiakum 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

ABSENT:

Shon Small, Benton County Commissioner
Dwight Robanski, Columbia County Commissioner
Mike Karnofski, Cowlitz 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
Shannon Moore, Northshore Fire Department
Jim Johnson, Walla Walla County Commissioner

OTHERS PRESENT:

Stephanie Dunn, Cowlitz County Alternate
Sabrina Fraidenburg, Cowlitz County
Bob Johnson, Garfield County Commissioner, Alternate
Melanie Bacon, Island County Alternate
Larry Grove, Lewis County Alternate
Jim Torpin, Northshore Fire Department Alternate
Rachel Patrick, Pacific County Alternate
Maria Swinger-Inskeep, Pend Oreille County Alternate
Amanda Carpentier, Spokane Housing Authority Alternate
Shelly Peters, Walla Walla County Alternate
Jon Kaino, WCIF Executive Director
Terri Luther, WCIF Deputy Director
Kimberly Beahler, WCIF Senior Account Executive
Janée Mandery, WCIF Wellness Coordinator
Greg DiMartino, DiMartino Associates
John Wallen, DiMartino Associates
Marcus Morrell, DiMartino Associates
Alejandro Alvarez, DiMartino Associates
Molly McHugh, DiMartino Associates

I. OPENING OF MEETING, WELCOME AND INTRODUCTIONS

WCIF Chair Bill Schulte opened the Washington Counties Insurance Fund (WCIF) Board meeting at 8:31AM and everyone present introduced themselves.

II. CHANGES OR ADDITIONS TO THE AGENDA

Motion made by Blair Brady and seconded by Bob Johnson that the agenda be approved as presented. No further discussion. Motion carried unanimously.

III. APPROVAL OF MINUTES FROM THE MEETING OF MARCH 10, 2016

Motion made by Randy Rollins and seconded by Michael Largent that the WCIF minutes for June 10, 2016 be approved. No further discussion. Motion carried unanimously.

IV. EXECUTIVE DIRECTOR REPORT

2017 Meeting Schedule – Final Draft

Jon Kaino presented the final draft of the 2017 meeting schedule to the Board for approval.

Motion made by Bob Johnson and seconded by Blair Brady that the proposed 2017 Meeting Scheduled be approved. No further discussion. Motion carried unanimously.

Update on Annual Member Visits

Although the annual executive director visits got off to a late start, Jon stated that he is continuing to meet with groups and there are several groups on the schedule over the next couple of weeks.

IT Vendor Update

Jon provided the Board with an update on IT services. Intrinium is the current IT provider for WCIF and has been for several years. They recently lost local staff and WCIF is evaluating whether or not to continue the relationship without the local support. WCIF has contacted some local companies and one, stands out as an alternative if Intrinium does not meet WCIF's needs.

Motion made by Blair Brady and seconded by Bob Johnson that WCIF be approved to explore and contract with an alternative IT provider as long as, all services being equal, the cost does not increase more than 10-15%. No further discussion. Motion carried unanimously.

BSI Fee Increase Request

Jon presented the 2017 fee proposal from BSI.

Motion made by Randy Rollins and seconded by Stephanie Dunn that the fee increase proposed by BSI be approved. No further discussion. Motion carried unanimously.

Enrollment Comparison

Jon Kaino presented enrollment numbers from August 2015 to present, which showed modest overall enrollment growth over the last year. Considering WCIF has been limited in marketing efforts due to the appeal related to the OIC's initial rejection of the WCIF rating models, this is a positive trend.

Jon also stated that our current legal counsel on benefits related issues, Melanie Curtis from Stoel Rives, is moving to Perkins Coie LLC. It is our intent to retain Melanie as WCIF legal counsel with Perkins Coie. No objections were stated by the Board.

V. MARKETING REPORT

Terri Luther reported that we added two new groups this year: around 80 medical enrollees total. We have several more RFPs lining up. There are also about seven groups we've been in contact with and we are currently anticipating RFP's. PEBB is having some sizable increases with plan changes this year. With this increase and PEBB's ability to surcharge, we believe there will be a lot of interest in our plans. Once we have final rates we will be busy preparing proposals and presenting to potential new groups.

VI. WELLNESS PROGRAM UPDATE

Janée Mandery presented the Wellness Dashboard. To date, we have 680 program completers (last year at this time there were 282). We had a new challenge last month – Drink Up! – and it was successful with 539 participants. We have had 43 biometric clinics this year (over 24 last year) and that number is expected to grow. Our goal is to have 60% of our groups achieving 40% participation this year; 10 out of 85 eligible groups have met the participation requirements thus far.

It was also confirmed that deductible credits will still be awarded to members who switch carriers in 2017.

VII. WCIF FINANCIAL REPORTS

2nd Quarter Financials

Jon Kaino presented the June 30, 2016 financial reports. We are operating fairly close to our budget as projected. While the revenue is slightly under the projections, with the addition of new groups, we should hit 100% by the end of the year, but we also have additional expenditures at the end of the year. Even with the expansion of the Wellness Grant program, it still appears we will likely be within budget at the end of the year.

Motion made by Jim Fields and seconded by Karen Skoog that the WCIF 2 nd Quarter Financials be approved. No further discussion. Motion carried unanimously.
--

State Audit Update

Jon Kaino stated that the State Auditor is tentatively scheduled to be onsite at the WCIF office the weeks of September 12 & 19. Notices will be sent out to the Board for the entrance and exit conferences.

VIII. RENEWAL PROPOSALS

DiMartino presented the 2017 renewal proposals.

Motion made by Blair Brady and seconded by Randy Rollins to approve a rate pass for Delta Dental Active Plans, including DeltaCare, with WCIF's pledge to maintain RSR balance with Delta during 2017 and also to approve a 5.87% increase for Retirees. No further discussion. Motion carried unanimously.

Motion made by Michael Largent and seconded by Bob Johnson to approve a rate pass for Active and Retiree Willamette Dental plans. No further discussion. Motion carried unanimously.

Motion made by Blair Brady and seconded by Bob Johnson to approve a rate pass for VSP for the next two years and increase retail frame allowance to \$150. No further discussion. Motion carried unanimously.

Motion made by Randy Rollins and seconded by Karen Skoog to authorize the Executive Director to negotiate final renewal package for the Medicare supplemental plans. No further discussion. Motion carried unanimously.

The Executive Director and DiMartino will continue negotiations with Premera to further reduce the rate and to complete these negotiations no later than the Special Board Meeting.

Motion made by Melanie Bacon and seconded by Karlyn Shannon to approve the Group Health HMO 750 renewal at 4.5%. No further discussion. Motion carried with one abstaining (this motion was reconsidered and amended at the continued meet on August 23, 2016).

The Executive Director and DiMartino will continue negotiations with Group Health to solidify the rate for the new Access PPO Plans and to complete these negotiations no later than the Special Board Meeting.

Special Meeting scheduled for Tuesday, August 23 at 4:00PM.

IX. DISCUSSION ON FUTURE RENEWAL OPTIONS

DiMartino provided a brief discussion on the advantages of self-funding, including the tax advantages as well as the flexibility and control over the plan designs, RX plans, and administrative costs. They also discussed the challenges such as the reserve requirements and the additional responsibility associated with self-funding.

The Board indicated they would like more information including a timeline for developing and implementing a self-funded option. DiMartino will work with the State Risk Manager to see what they would require from WCIF, including membership requirements and the impact on our non-profit members. DiMartino agreed to provide more information at the November Board meeting.

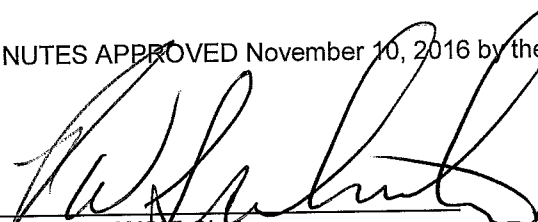
X. NEXT MEETING

November 9 and 10, 2016 at the Marcus Whitman Hotel in Walla Walla, WA.

XI. RECESS

Bill Schulte recessed the meeting at 11:06AM. Meeting will be continued on Tuesday, August 23 at 4:00PM via GoToMeeting and conference call, or in person at the WCIF office.

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



Bill Schulte, WCIF Chair



Don Dashiell, WCIF Vice Chair