

UUA Employee Benefits Trust Trustees Meeting

MINUTES

AUGUST 8, 2009

8:30 A.M.

RICE ROOM
ELIOT & PICKETT
HOUSES
6 MOUNT VERNON
PLACE
BOSTON, MA 02108

ATTENDEES	Trustees: Brent Wilkes, David Tedesco, Tim Brennan, Paul Bluestein (Chair), Mindy Scharlin, and Kathy Burek; UUA Staff: Jim Sargent, Liz Oliver
GUESTS	From Milliman: Andrea Burrell, Bill Thompson (via conference call); From UUA: Kati MacDonald; Rob Molla

Absent Dan Brody

Agenda topics

8:30 AM CHECK IN, INTRODUCTIONS, AGENDA REVIEW, AND APPROVAL OF MARCH 28, 2009 MINUTES

DISCUSSION	Under item #3 in "Business Items" in the draft minutes, correct the minutes to note that the UUA Board's intent is to assign fiduciary oversight to the President, Treasurer, and Financial Advisor, with the President's slot delegated to Richard Nugent. With that correction (and noting that Paul Bluestein is Chair), the minutes were approved.
CONCLUSIONS	Paul called to approve minutes with the changes. Tim seconded. Minutes approved by all. Agenda approved by all.

9:00 AM – 11:00 AM INITIAL REVIEW OF 2010 RATING ISSUES, PLAN DESIGN OPTIONS, AGE CURVE ADJUSTMENTS, AND JUNE 30, 2009 IBNR ANDREA BURRELL & BILL THOMPSON

DISCUSSION	<p>1. Setting the June 30, 2009 Incurred but Not Reported (IBNR) reserve</p> <p>Milliman present the 2009 methodology, the minor changes in methodology from 2008 and the June 30, 2009 IBNR recommendation. Recommended reserve is \$488,000.</p> <p>VOTE: Moved – Brent Wilkes, seconded – Paul Bluestein. No further discussion. Paul seconded. Approved by all.</p> <p>2. Initial analysis of the emerging calendar year 2009 experience.</p> <p>Milliman discussed the emerging claims experience and the likely impact on surplus during CY2009. The discussion among the actuaries and the Board focused on the impact of very large individual claims, the likelihood of that experience continuing, and the various actuarial approaches for evaluating proper long term pricing. The board gave Milliman directions for preparing the final review documents for the October meeting.</p> <p>3. Discussion of possible benefit modifications and adjustments to the age rating structure</p> <p>The Board gave Milliman specific instruction of which benefit options to analyze in detail for the October meeting, and directed staff to investigate the impact of possible benefit changes on the stop-loss terms and rates. The Board discussed the range of options, and the associated cost estimates, for changing the age rating structure, directing Milliman to narrow and deepen their analysis.</p>
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11:00 AM – 11:15 AM BREAK

11:15 AM – 11:45 AM FINANCIAL REPORT, AUDIT UPDATE, AND DIRECTOR'S REPORT JIM SARGENT & TIM BRENNAN

DISCUSSION	Tim Brennan discussed the YTD financials, which, other than claims paid, show only minor variances. The higher than expected claims in the first six months of 2009 created wide swings in the Plan's cash balance, and caused us to go to the investment account to redeem some CDs.
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	<p>Regarding the final audits by KPMG of FY07 and FY08, the work appears to be nearing completion. The financials have been unchanged since September, 2008; the on-site claims audit was OK; the difficulty has been getting an adequate level of congregational compliance with audit requests. We may have exceeded time limit for submitting audited financials to the Department of Labor, but KPMG will continue to handle that issue on our behalf. For FY2009, the audit will be done by Caturano & Company.</p> <p>Richard Nugent reported that to help alleviate some of the compliance concerns, the Office of Church Staff Finance is planning to do an annual census of the congregations.</p> <p>Plan Director Jim Sargent reported on the status of proposed national health care legislation. Staff spends a fair amount of time tracking legislative activity, with good support from the Church Benefits Association. None of the proposed bills have an effective date before 2013, and the entire CBA is working through the ramifications for church-based plans.</p>	
11:45 AM – 12:05 PM	PROPOSED ROLL-OUT OF HEALTH RISK ASSESSMENT INITIATIVE; SOME POTENTIAL FOLLOW-ONS WITH THE UUMA	JIM SARGENT & RICHARD NUGENT
DISCUSSION	<p>Highmark has a HRA program with an excellent collection of online tools. Well studied, with valid analysis substantiating results.</p> <p>Families completing the HRA could receive a \$50 gift card.</p> <p>Cost will be between \$12 – \$15K for the HRA.</p> <p>The major risk factors for our population are age, overweight, and lack of exercise.</p> <p>Paul Bluestein expressed support and emphasized that the HRA is only the first step in a multi-year approach. Future years could move toward combining HRAs with biometric screening, to create programs targeted to our plan's population.</p>	
12:05 PM – 1:10 PM	LUNCH; REPORT ON ARAOMC TRAINING FROM THIS YEAR'S GA	KATHY BUREK
DISCUSSION	<p>Kathy Burek reported on the ARAOMC training conducted at GA2009. Trustees are interested in how ARAOMC intersects with the Health Plan, in the areas of identifying underserved communities, racial disparities in care, and other inequities, including class issues as they play out in the reimbursement of congregational staff. Trustees asked staff to consider how race questions can be worked into the HRA, and to begin preparing our own survey tool to collect information that may not be obtainable from the Highmark tool.</p> <p>At the Trustees December meeting, the group will revisit the original ARAOMC discussion and do a year-end progress analysis.</p>	
1:10 PM – 1:25 PM	FIRST HALF FY11 AND CY10 BUDGETS DIRECT STAFF ON STRUCTURE OF CY10 BUDGET FOR THE PURPOSE OF COMPLETING THE 2010 RATE ANALYSIS.	JIM SARGENT
DISCUSSION	<p>In the spring, FY10 budget was approved to be submitted to UUA Board.</p> <p>In order to complete the CY2010 ratemaking, the EBT Trustees approve projected expenses for 7/1/10 to 12/31/10. Trustees directed staff to use the proposed numbers, with the understanding that final budget numbers will be approved after the EBT has a clear sense of the cost of implementing additional compliance controls that will be recommended by the KPMG auditors.</p> <p>Staff is directed to fine tune the budget and report again during October meeting.</p>	
1:25 PM – 1:30 PM	DISCUSS STAGGERING OF TERMS AND DAN BRODY'S PROPOSED SOLUTION	PAUL BLUESTEIN
DISCUSSION	<p>All members willing to serve until end of 2013. To put the EBT on a staggered term path, the EBT asked Paul Bluestein to consult with the Committee on Committees about putting people on revised terms in the following manner:</p> <p>Members on 2014 track (even years): Mindy Scharlin, Brent Wilkes, David Tedesco</p> <p>Members on 2015 track (odd years) : Paul Bluestein, Kathy Burek</p>	
1:30 PM – 2:15 PM	REVIEW PERFORMANCE METRICS. DISCUSS HOW METRICS REVIEW CAN BE MOST EFFECTIVE FOR THE BOARD MOVING FORWARD	PAUL BLUESTEIN & JIM SARGENT
DISCUSSION	<p>Jim and Paul discussed progress against the metrics previously adopted. Jim pointed out that in the areas of membership growth and surplus growth, the tough economy and the January – June 2009 results are going to make those particular goals a real stretch this year.</p> <p>The group agreed that we will measure against the goals already set, rather than significantly amending the targets.</p> <p>Highmark will do a member satisfaction survey for the UUA plan, which staff will compare to the Church Benefits Association's overall data.</p>	

	<p>There will be real value to refining our targets once we have collected accurate updated health insurance participation data from all congregations. Tim moved to have executive session. Seconded. Board went into executive session. Board came out of executive session.</p>
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2:15 PM – 2:30 EXECUTIVE SESSION PAUL BLUESTEIN

DISCUSSION	<p>Tim Brennan asked for an Executive Session to discuss staff compensation issues. M/S/V. Following the discussion, M/S/V to return to normal session.</p>
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2:30 PM HOUSEKEEPING AND ADJOURMENT PAUL BLUESTEIN

DISCUSSION	<p>Paul motioned to adjourn. Mindy seconded. Approved.</p>
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NEXT MEETINGS PAUL BLUESTEIN

	<p>Friday, October 2, 10:00 until approximately 12:30 – conference call to set final benefits and rates for 2010.</p> <p>Friday, December 4, 8:00 – 4:00 – receive the Auditors’ report; ARAOMC discussion</p>
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