

UUA Employee Benefits Trust Trustees Meeting

MINUTES

JULY 26, 2013

9 A.M. AT P&E

ATTENDEES	Trustees present: Brent Wilkes (Chair), Tim Brennan, Paul Bluestein, Jan Sammons, Kathy Burek, David Tedesco UUA Staff: Jim Sargent, Richard Nugent, Patti Angelina. Rob Molla
GUEST PRESENTERS	Consulting actuaries from Milliman: Andrea Sheldon and Bill Thompson

Agenda topics

9:15 AM	MILLIMAN PRESENTATION	ANDREA SHELDON & BILL THOMPSON
DISCUSSION AND RELATED VOTE	<p>Andrea presented the Milliman analysis of June 30, 2013 reserves, comparison to 2012, and the Milliman analysis of the actual versus projected 2012 IBNR performance. The recommended IBNR level for June 30 is \$639,000, which includes an allowance for claims settlement expenses.</p> <p>VOTE: M – Jan Sammons, S – Kathy Burek, to accept the actuaries’ recommendation for June 30, 2013 IBNR. Approved unanimously.</p> <p>Andrea next reviewed Plan historical experience from CY2007 on, including the emerging experience for CY2013, based on the first six months of 2013. CY2013 Jan – June shows a significant worsening of claims experience, which in turn generates a wide range of possibilities for interpreting claims trend. Andrea presented three scenario ranges and discussed the 2014 rating implications of the most likely scenario, with the caveat that the projection is likely to change by the time the EBT reconvenes in October.</p> <p>Bill Thompson suggested that the emerging experience could lead the Board to discuss Value Based Insurance Designs (VBID) as part of the 2014 plan design structure.</p> <p>Bill then reviewed all of the proposed Affordable Care Act (ACA) taxes and fees and their impact on the Plan. All applicable fees will be added to the CY2014 ratemaking budget.</p> <p>Discussion followed, led by the Milliman team, on strategies to compete with coverage available on the various state Exchanges, beginning in 2014. Milliman presented data on the relative richness of UUA benefit choices compared to the plan levels that will be available on the Exchanges.</p> <p>The general shape of the directions to Milliman that emerged was to:</p> <ul style="list-style-type: none"> Evaluate the current Standard PPO plan with no benefits changes; this is the plan selected by 90% of current participants. Evaluate the impact of changing the current High Deductible (HD) plans from 90/70 plans to 80/60, without changing the deductible. The coinsurance shift would raise the out-of-pocket maximums. Create a new plan that would fall in the “bronze” category, to better compete with plans on the Exchanges, offering what could be an appealing option for younger employees. <p>Staff was directed to question Highmark on the availability of “limited networks” of doctors and hospitals, which might serve as an alternative to HD plan changes or the introduction of a “bronze” plan.</p> <p>Staff was also directed to explore with Highmark a better approach to offering Health Savings Account administration to congregations in a cost-effective way.</p>	
12:45 PM	EBT DRAFT BUDGET FOR CY2014	JIM SARGENT
DISCUSSION AND RELATED VOTE	<p>In order for the actuaries to compute 2014 rates, the EBT approves a calendar year budget that combines the budgets from the 3rd and 4th quarters of FY14 with estimates for all projected costs for the first half of FY15. Jim Sargent presented the draft budget, which was constructed to include all known ACA fees.</p>	

	VOTE: M – David Tedesco, S – Kathy Burek to accept the proposed EBT CY2014 budget. Approved unanimously.
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1:15 PM FINANCIAL STATEMENTS: FY13 YTD, CY13 6-month results and surplus position JIM SARGENT & TIM BRENNAN

DISCUSSION	Jim sargent reviewed the cash flow for the 1 st six months of CY 2013. The incidence of high-cost claims continued into the second quarter, resulting in a deficit of \$216K compared to the original projections. This was the emerging claims experience that Milliman incorporated into their initial rate projections for 2014. Tim Brennan reviewed the FYTD financials through April, and emphasized that the Accounting operation was rapidly getting up to speed after recent personnel transitions and would be ready for the start of the audit in early September.
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1:30 PM DIRECTOR'S REPORT JIM SARGENT

DISCUSSION	<p>Jim Sargent reported on the efforts within the Office of Church Staff Finances to update congregations on the emerging requirements of the Affordable Care Act. Some 300 congregations have enrolled for periodic updates.</p> <p>Jim reported on two pilot wellness initiatives: a joint pilot with the UUMA, using resources of the Duke University Clergy Wellness Initiative is well on its way to a launch in October; the Weight Watchers Online pilot has 120 active subscribers. Both pilots address opportunities identified by Highmark's analysis of Plan claim trends – to directly address the health implications of obesity in our insured population, and to begin efforts to begin efforts to reduce the impact of stress in target populations.</p>
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1:45 PM ARAOMC ACTIVITIES JIM SARGENT & KATHY BUREK

DISCUSSION	Jim and Kathy reported on a telephonic meeting with the leadership of Highmark's Health Equity operation, an internal physician-led initiative that analyzes disparities in the delivery of healthcare based on racial, cultural, and socioeconomic differences and develops training for all Highmark staff. Highmark will make the training available to the EBT both for its value as a learning tool and to further understanding of the current limits on analysis.
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1:55 PM THE GA CHARGE TO ALL ELECTED LEADERS KATHY BUREK

DISCUSSION	Discussion deferred to the October meeting
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2:00 PM APPROVAL OF JULY 26, 2013 MINUTES AND OTHER BUSINESS BRENT WILKES

DISCUSSION	<p>VOTE: M – David Tedesco, S – Paul Bluestein, to accept the minutes of July 26, 2013. Approved unanimously.</p> <p>VOTE: M – Kathy Burek, S – Paul Bluestein, to approve a letter of thanks and commendation to Dan Brody for his service to the EBT. Approved unanimously.</p> <p>Meeting adjourned at 2:10 PM.</p>
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