

# **UUA Employee Benefits Trust Trustees Meeting**

## MINUTES

OCTOBER 4, 2013

9 A.M. AT P&E

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

### Agenda topics

9:15 AM	MILLIMAN PRESENTATION & RELATED VOTES	ANDREA SHELDON & BILL THOMPSON
DISCUSSION AND RELATED VOTES	<p>Andrea Sheldon presenting the Milliman analysis of 2014 plan and rating options:</p> <p>Andrea discussed the history of pricing margin from plan inception forward. In 2013, the EBT moved to 0% margin. Claim trend is projected at overall 6%; Bill Thompson, in response to a question, said that medical trend appears to be decreasing nationally. Andrea discussed the methodology used to develop the 2014 rates: plan expenses are fixed by contract, and nearly all of the 2014 increase is driven by ACA-mandated fees; the calculation of claims trend + demographic shifts + expenses was done at 0% margin. Andrea then presented various plan design options for 2014, and discussed the importance of plan design to efforts to control loss of members to the ACA-sponsored Exchanges. Discussion followed, beginning with the foundational votes needed before discussion of adding any new plans for 2014.</p> <p>Vote 1) M – Brent, S – Kathy, to set the claims margin at zero. APPROVED          Vote 2) M – Kathy, S – Jan, to make no changes to the current structure of the High Deductible plans. APPROVED          Vote 3) M- David, S – Paul, to introduce a mandatory mail order prescription drug program effective July 1, 2014. APPROVED</p> <p>Dismissed from consideration without a formal vote – co-pay changes in the standard PPO; a value-based insurance design (VBID) program; a standard PPO based on limited provider networks; a change to the Standard PPO Rx program that would eliminate Walgreen's and Target pharmacies.</p> <p>Discussion then moved to the possibility of introducing a "bronze" level high deductible plan to compete directly with lower cost plans being introduced on the Exchanges, including a discussion of the impact on the Standard PPO of introducing such a plan, and the various options for cross-subsidization.</p> <p>Vote 4) M – Paul, S –David, to introduce a "bronze" plan, modeled on the current high-deductible, HSA-eligible plan, priced on its own, valued at 60% of claims, with no cross-subsidies. APPROVED</p> <p>Vote 5) M- Kathy, S – Paul, to include an HSA option with the "bronze" plan, funded by the Plan for the congregations that elect to participate. APPROVED</p> <p>With all of the basic plan design issues settled, discussion moved to setting the base rate increase for 2014. Because the introduction of the "bronze" plan could be expected to change participation in the Standard PPO, the EBT and Milliman discussed the range of possible migration patterns, and settled on a 5% shift as an acceptable assumption. After Milliman analyzed the impact of that decision, a vote was taken on the 2014 base rate increase.</p> <p>Vote 6) M – Tim, S – Kathy, to direct staff to work with Milliman to craft deductible and/or coinsurance/out-of-pocket maximum changes to the Standard PPO that will result in a base rate increase of between 9% and 9 ½%. APPROVED.</p>	
12:45 PM	FY13 YEAR-END FINANCIALS, AND UPDATE ON FY13 AUDIT PROCESS	TIM BRENNAN, JIM SARGENT

<b>DISCUSSION</b>	Tim reviewed the June 30, 2013 financials, as submitted to the EBT auditors (McGladrey). The financials reflect the same Plan impacts as reported by Milliman, primarily the higher-than-expected paid claims. Tim also highlighted improved cash management and noted the decrease in total surplus due to increased claims.
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	Jim reported that the FY13 audit was progressing on an acceptable schedule, very close to the FY12 schedule, with no unusual issues. McGladrey expects to be ready for a preliminary report to the UUA Audit Committee on November 4, to which EBT members will be invited.
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1:00 PM                      PROPOSED ADOPTION OF THE GA COVENANT FOR COMMITTEE MEMBERS                      KATHY BUREK

<b>DISCUSSION AND RELATED VOTE</b>	Kathy encouraged all of the EBT Board Members to subscribe to the "Charge to Elected and Appointed Leaders, General Assembly 2013" as presented by UUA Board Secretary Tom Loughrey in a Plenary Session.  Vote) M- Kathy, S – Jan, to adopt the "Charge to Elected and Appointed Leaders". APPROVED
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1:10 PM                      DIRECTOR'S REQUEST TO INITIATE A MICRO-GRANTS PROGRAM FOR LOCAL WELLNESS INITIATIVES                      JIM SARGENT

<b>DISCUSSION</b>	Jim presented a plan to allow participating congregations to propose local wellness initiatives, for which the Health Plan would reimburse up to \$500. The intent is to allow ground-up planning by congregations for projects that they feel are relevant to them, rather than having all programs be top-down initiatives by the Plan. Funding for up to 20 projects would come from existing the existing Wellness line in the EBT budget. No vote was deemed to be required, and the project was unanimously endorsed.
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1:15 PM                      APPROVAL OF THE JULY 26, 2013 MINUTES                      BRENT WILKES

<b>DISCUSSION AND RELATED VOTE</b>	Vote) M – Paul, S – Tim, to accept the July 26, 2013 minutes as presented. APPROVED
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Meeting adjourned at 1:20.