

# **UUA Employee Benefits Trust Trustees Meeting**

MINUTES AUGUST 7, 2010

BOSTON, P&E, RICE ROOM, 8:30 AM

<b>ATTENDEES</b>	EBT Trustees: Brent Wilkes, David Tedesco, Tim Brennan, Mindy Scharlin, Kathy Burek, and Paul Bluestein. UUA OCSF Staff: Jim Sargent, Richard Nugent. Guest: Rob Molla for UUA HR
<b>PRESENTERS</b>	From Milliman (consulting actuaries): Andrea Burrell, FSA; Kellie Zhang, actuarial student & intern

## Agenda topics

8:40	CALL TO ORDER, CHECK-IN, AGENDA REVIEW	PAUL BLUESTEIN
9:00	PRESENTATION OF ACTUARIES' RECOMMENDATION FOR JUNE 30, 2010 IBNR; DISCUSSION OF EMERGING CLAIMS EXPERIENCE; BOARD INSTRUCTIONS TO ACTUARIES FOR REVIEW OF 2011 PLAN AND RATING OPTIONS.	ANDREA BURRELL & KELLIE ZHANG

<b>JUNE 30, 2010 IBNR</b>	<p>Burrell and Zhang reviewed the inputs and the methodology used to create the June 30 Incurred But Not Reported (IBNR) claim figure that will be used in the FY10 EBT financial statements. The methodology was the same as used in past years. The IBNR claims estimate decreased significantly from 2009 due to a large improvement in overall claims performance. Burrell confirmed that the confidence level for the claims estimate is 80%.</p> <p>RELATED VOTE: Moved by Brent Wilkes, seconded by Tim Brennan, to accept the Milliman calculation of IBNR claims for June 30, 2010, with the added provision that the portion of IBNR that is ascribed to terminal claim processing fees would be calculated from the Highmark/EBT contract, rather than estimated. APPROVED UNANIMOUSLY.</p>
<b>EMERGING CLAIMS EXPERIENCE</b>	<p>Andrea Burrell presented an analysis of the emerging claims experience for calendar year 2010, with a comparison to the same period in 2009. Claims experience has improved dramatically. The plan has grown, but not enough that future claims can be projected based solely on emerging experience.</p> <p>The Board directed Milliman to present multiple rating approaches, as was done in 2009, in sufficient detail to separate the discussions of claims, benefit change costs, margin needs, and expenses.</p>
<b>BENEFIT CHANGES</b>	<p>The Board discussed a range of possible plan changes for 2011, some to prepare the plan for enhancements that will become mandatory with healthcare reform, and others that have been in the evaluation stage since the 2009 rates were introduced. Milliman requested that the Board evaluate the impact of indexing deductible and out of pocket amounts and the impact of raising stop-loss retention to as much as \$300,000 per individual. The Board endorsed continuing with year 2 of a 3 year plan to smooth transition points in the age-rating curve.</p> <p>Final discussion of rating, benefit changes, and stop-loss level to take place at the October 1 EBT meeting.</p>
<b>ACTION ITEM</b>	Milliman will prepare a full report for October 1. Jim Sargent will review and will include a staff analysis and recommendation for Board action.

11:15	DIRECTOR'S REPORT; FINANCIAL REPORT	JIM SARGENT & TIM BRENNAN
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	<p>Jim Sargent reported on the Plan's cash position, including restricted funds. Favorable claims have created an addition to surplus of approximately \$600K. Tim Brennan reviewed the FY10 Plan financials through May, with no significant variances to report, other than the decrease in the claims budget line.</p> <p>Tim Brennan reported on the acquisition of auditors Caturano &amp; Co by McGladrey, Inc. We expect a smooth transition with no changes to key personnel.</p>	
11:45	LAUNCH OF <b>CHOOSE HEALTH</b>	JIM SARGENT
	We have launched the program with the name choose health. We will monitor participation and adjust followup messages to maximize participation.	
12:45	AMENDMENTS TO PLAN AND TRUST	JIM SARGENT

TRUST AMENDMENT # 2	To modify the conditions for expulsion to include failure to comply with Auditor's request for documentation.  RELATED VOTE: Moved by Brent Wilkes, seconded by Mindy Scharlin, APPROVED unanimously	
PLAN AMENDMENT #2	To adopt in amendment format a change to the Plan Year approved at the 3/28/08 EBT meeting.  RELATED VOTE: Moved by Kathy Burek, seconded by Mindy Scharlin, APPROVED unanimously	
PLAN AMENDMENT #3	To make various technical corrections to conform the plan with HHS regulation, modify the definition of "dependent child", and to change eligibility provisions based on hours worked.  Final action deferred to the October 1 meeting, to allow time for preparation of a markup version to facilitate discussion.	
1:15	APPLICABILITY OF UUA CONFLICT OF INTEREST AND WHISTLEBLOWER POLICIES TO THE EBT.	JIM SARGENT
	Jim reported on his discussion of the policies with EBT counsel. Counsel's advice was that a plain reading of the UUA policies says that the policies apply to the EBT, and that the EBT is not required to adopt the policies by vote. So noted by the EBT Board. The Board may schedule a more detailed discussion of the Policy Governance implications of this linkage at a future meeting.	
1:45	LEGAL PARAMETERS FOR THE CREATION OF A PREMIUM SUBSIDY FUND	JIM SARGENT, RICHARD NUGENT
	Jim and Richard laid out the rationale for creating a small, managed premium subsidy fund to be used to support plan participants that met certain income/assets tests.	
ACTION ITEM	Jim will return in October with an opinion from counsel, based on discussion with Department of Labor.	
2:00	Approval of minutes for May 4 and June 17, housekeeping, and adjournment  RELATED VOTE: To approve the minutes for the two dates. Moved by Kathy Burek, seconded by Tim Brennan, APPROVED unanimously.	PAUL BLUESTEIN
	Meeting adjourned at 2:20.	