

# ***UUA Employee Benefits Trust Trustees Meeting***

MINUTES

MAY 5, 2011

9:00 AM

TELECONFERENCE

<b>ATTENDEES</b>	Trustees: Brent Wilkes, David Tedesco, Tim Brennan, Mindy Scharlin, Kathy Burek, Dan Brody; UUA Staff: Jim Sargent; Liz Oliver; Richard Nugent; Rob Molla; Ibrahim Essa
<b>GUESTS</b>	Highmark: Jeff Burtaine, MD, Medical Director; Chris Little, Executive Client Manager; Donna Bell, Pharmacy Benefits Consultant; Meghan Cartwright, Health Promotion Consultant

## Agenda topics

9:00 AM

WEBEX PRESENTATION BY HIGHMARK

JEFF BURTAINE, CHRIS LITTLE, DONNA BELL, MEGHAN CARTWRIGHT

<b>DISCUSSION</b>	<p>Medical Director Jeff Burtaine led a complete review of The Plan's 2010 claims experience. Highlights from the report:</p> <p>On a per capita basis, the average cost per contract the UUA Health Plan pays stayed flat from 2009 to 2010.</p> <p>The opportunity to manage cost lies in three areas: keep the healthy healthy; discover hidden diseases early; and, manage chronic diseases. There was no Trustee consensus on adopting a benefit approach commonly known as "value-based" that would penalize members who were non-compliant with treatment recommendations; incentives remain the Board's preference.</p> <p>Average age of our Plan members is 40, 5.5 years over Highmark's book of business.</p> <p>Our inpatient procedures are consistent with other plans.</p> <p>The Plan had 18 claims in 2009 over \$50K, 6 in 2010, and 0 in 2011 through April.</p> <p>Certain disorders show a higher incidence rate than Highmark's overall book; those categories will be tagged for further review.</p> <p>The Plan could save money on prescriptions by lowering the generic co-pay to increase utilization.</p> <p>Lowering prescription costs could increase the number of members with chronic diseases who comply with their medication treatment regime.</p>
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11:10 AM

CHECK-IN FOR MEETING PART 2 – TRUSTEES AND UUA STAFF ONLY

KATHY BUREK

11:15 AM

CHOOSE HEALTH WELLNESS INITIATIVE

JIM SARGENT

<b>DISCUSSION</b>	<p>130 members participated in our Health Risk Assessment and received a \$50 award. Certain issues stood out, and those will be addressed through voluntary wellness coaching</p> <p>Staff is exploring the possibility of creating a fund to make weight loss programs more affordable for members.</p> <p>We gave away over 150 copies of <i>Overdiagnosed</i>, a Beacon Press book, to members.</p> <p>For General Assembly 2011, we are giving away healthy eating guides to Charlotte restaurants and we will have having a walking challenge: we are giving away 100 UUA Health Plan-branded pedometers and challenging walkers to reach 1,000,000 total steps.</p>
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11:25 AM

HEALTH PLAN OPERATIONAL RESULTS, 1<sup>ST</sup> Q 2011, FY FINANCIAL STATEMENTS, AUDIT

JIM SARGENT, TIM BRENNAN

UPDATE

<b>DISCUSSION</b>	<p>The Plan has had a low claim trend through March. There is a 40% variance on claims and we appear to be lower than the national trend.</p> <p>The increase in surplus is \$750,000 so far this year. We currently have \$4.7 million, which is 7 months of premium. Taking IBNR and Highmark escrow into account, the Plan still has approximately \$4 million in unrestricted cash.</p> <p>EBDS has struggled with reporting after we added the Group Insurance Plan coverage to invoices, which has put us behind on financial statement preparation. When we move to a new third party billing administrator, we expect a significant improvement in reporting. Staff instructed to monitor the reporting format and confirm that it satisfies audit requirements.</p>
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11:35 AM AUDIT UPDATE TIM BRENNAN

<b>DISCUSSION</b>	<p>For the FY11 audit, McGladrey auditors will go to Pittsburgh to work with Highmark at the HM home office. McGladrey expects a significant improvement in the claims audit process by doing the work onsite.</p> <p>The plan is to have the audit completed by 10/2011, only waiting on Highmark's SAS70.</p>
<b>CONCLUSIONS</b>	<p>The EBT will plan to have a conference call regarding the audit results. If any material weaknesses are found, the meeting will be switched to in-person.</p>

11:40 AM REVIEW OF DRAFT INVESTMENT POLICY STATEMENT TIM BRENNAN

<b>DISCUSSION</b>	<p>Board discussed whether or not the investment policy should include a conflict of interest statement, and concluded that it is not necessary to have one separate from the UUA policy. The UUA COI policy will be ready for review at the EBT's August meeting.</p>
<b>RELATED VOTE</b>	<p>Approve the Investment Policy Statement.</p> <p>Tim Brennan moved to adopt sections 1,2, and 3 and to delete section 4 of the Draft Investment Policy Statement. Dan Brody seconded. All in favor on a roll call vote. MOTION ADOPTED.</p>

11:50 AM REPORT ON VENDOR SELECTION PROCESS FOR ENROLLMENT/BILLING/COLLECTION SERVICES JIM SARGENT

<b>DISCUSSION</b>	<p>Jim Sargent reviewed progress on vendor review. Two finalists were reviewed in depth as a replacement for eBDS.</p> <p>The preferred vendor is CDS, a Pittsburgh-based third party administrator serving 40 clients similar to the Plan, with pricing below the current vendor or the #2 candidate. They have a clearer picture of accounting needs, operational controls, and lock box operations than either eBDS or the #2 candidate.</p> <p>Jim's recommendation is to replace eBDS with CDS.</p>
<b>RELATED VOTE</b>	<p>Authorize the Plan Administrator to sign a letter of intent with preferred vendor, and to finalize a contract through December 31, 2013.</p> <p>Motion to authorize by Mindy Scharlin, David Tedesco seconded. All in favor. MOTION ADOPTED</p>

12:05 PM APPROVAL OF 12/10/10 MINUTES, OTHER BUSINESS KATHY BUREK

<b>DISCUSSION</b>	<p>Mindy Scharlin motioned to approve the 12/10/10 minutes, David Tedesco seconded. All in favor. MOTION ADOPTED.</p> <p>Other business: the December meeting might be changed.</p> <p>Brent Wilkes motioned to adjourn the meeting, Mindy Scharlin seconded. All in favor.</p>
<b>OTHER BUSINESS</b>	<p>Discuss member flexibility around December dates, depending on the outcome of the Auditor's report and the availability of the UUA Audit Committee.</p> <p>ADJOURNED at 12:25</p>