

UUA Employee Benefits Trust Trustees Meeting

MINUTES

AUG 12, 2016

10:00 A.M. EST

24 FARNSWORTH STREET

ATTENDEES	Trustees: Jan Sammons, Barbara Johnson (Chair), Tom Loughrey, Suzyn Smith Webb, John Vogt, Tim Brennan Staff: Jim Sargent, Patti Angelina, Richard Nugent, Rob Molla, Kati McDonald
PRESENTER	Andrea Sheldon, FSA, Milliman

Agenda topics

09:05 AM	CALL TO ORDER	BARBARA JOHNSON
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9:05 AM BUSINESS ITEMS PRECEDING THE ACTUARIAL PRESENTATION

APPROVAL OF MINUTES OF APRIL 22, 2016	<p>Review of prior minutes BARBARA JOHNSON</p> <p>M – Tom, S – Suzyn, to approve the minutes of April 22, 2016. Approved unanimously</p>	
FINANCIAL STATEMENTS	<p>Review of FY16 YTD financial statements TIM BRENNAN</p> <p>Tim Brennan reviewed the Balance Sheet and Income Statement for the period ending May 31, 2016. No significant variances noted. The final FY16 financial statements are being prepared using the UUA's standard closing process, to be ready for the EBT and the RSM auditors. Tim reported that the FY16 audit is underway, with the same audit firm (RSM) and audit team as last year.</p>	
HEALTH PLAN CY17 BUDGET	<p>CY 17 Budget JIM SARGENT</p> <p>Jim presented the draft CY2017 budget that is used to create the expense items that Milliman uses in the 2017 rate calculations. The budget is made up of the second half of the FY17 budget approved as part of the UUA overall budget, and other estimates of values for calendar year 2017 from Highmark and other vendors. Most expense lines are known as of August, with a few to be finalized over the next 60 days.</p> <p>Related vote – To approve the EBT CY2017 budget for ratemaking:</p> <p>M – Suzyn, S – Tom. Approved unanimously.</p>	
DISCUSSION OF POTENTIAL 2017 BENEFIT CHANGES	<p>Initial discussion of potential benefit changes JIM SARGENT & BOARD</p> <p>Jim explained efforts to find more favorable stop-loss insurance coverage for the hospital costs for premature multiple births, a possible approach to introducing coverage for assisted fertilization. Discussion followed regarding the rationale for introducing assisted fertilization coverage in light of past discussions and actuarial recommendations. The Board consensus was not to pursue the reinsurance discussion further.</p> <p>Jim briefed the Board on the possible introduction of a telemedicine benefit, which Highmark now offers nationally at no additional charge. Board reaction was favorable.</p> <p>Jim laid out the rationale for expanding the hearing aid benefit to allow for out-of-network purchases. Because the largest national hearing aid vendor is not in any Blue Cross network, members are missing the opportunity for significant discounts. Board reaction was favorable.</p> <p>Finally, Jim briefed the Board on the possible addition of a Vision benefit that would provide for</p>	

	lenses, frames, and contact lenses to be covered for the first time. The Board agreed that the best use of a Vision benefit is the added marketing value for 2017 Open Enrollment, and that a decision on Vison would be made in conjunction with the vote on 2017 rates at the October meeting.
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WELCOME ANDREA SHELDON, FSA, MILLIMAN

BARBARA JOHNSON

10:15	<p>MILLIMAN REPORT</p> <p>ANDREA SHELDON</p> <p>The Milliman August report gives a preliminary estimate of Plan experience to facilitate Board planning for the next plan year. Andrea led a Board discussion on several related topics:</p> <ol style="list-style-type: none"> 1. Current claims experience – The 2016 experience and the most recent 12 months is trending better than original projections, after eliminating one large claim incurred in 2015 but not paid until May, 2016. 2. Milliman uses several sources for projection cost trends for 2017, including published industry trend figures, Milliman internally developed guidelines, and historical trends in indexed medical costs. The combined sources are then uses to create a range of possible trend boundaries. 3. Andrea presented a variety of scenarios for the remainder of the plan year and the likely rate increase for each scenario. 4. The Board reviewed Milliman’s preliminary estimate of the rate impact of separating the renewal actions for the Standard PPO and the HD plans. 5. Andrea reviewed the 2017 Benefit Richness estimates by plan design, compared to ACA averages and past targets set by the EBT. 6. Andrea reviewed the rating impact of a variety of plan changes under consideration. 7. Andrea reviewed the results of a new stochastic evaluation of unrestricted reserve levels, concluding that current reserve levels exceed NAIC Risk Based Capital guidelines.
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12:15 AM

PROCESS REVIEW

JAN SAMMONS

ADJOURNMENT	Meeting adjourned at 12:30
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Remaining meeting dates for 2016:

October 6 -7, in person, 24 Farnsworth Street (Oct 6 will include a dinner meeting; Oct 7 will be our second meeting with Milliman re: 2017 renewal)

November 21, approx. noon; final time to be set later. This will be a joint teleconference with the UUA Audit Committee and the EBT auditors.