

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

MINUTES

JULY 27, 2018

9:00 A.M. EST

PRESIDENT'S  
COUNCIL ROOM

<b>ATTENDEES</b>	Trustees: Barbara Johnson (Chair), Tom Loughrey, John Vogt, Tim Brennan, Lucia Santini, Karin Ferguson, Michael Wagner  Staff: Jim Sargent, Patti Angelina, Richard Nugent, Kati Campopiano
<b>PRESENTER</b>	Milliman: Andrea Sheldon, FSA; Samantha D'Anna, Ph.D.

## Agenda topics

### CALL TO ORDER

9:05 AM	Call to order and introduction of Milliman presenters	BARBARA JOHNSON
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9:10 AM      INITIAL REVIEW OF 2019 RATING, PLAN DESIGN, AND EMERGING CLAIMS EXPERIENCE      MILLIMAN/ BOARD DISCUSSION

<b>PRESENTATION &amp; DISCUSSION</b>	<p>Sam D'Anna opened Milliman's presentation of their actuarial analysis of 2018 emerging claims experience, medical trend expectations, past performance of projection methodology, the impact of trend leveraging, and several alternative scenarios for 2019 rate development prior to the analysis of any plan design options or margin considerations.</p> <p>Claims experience for the first half of CY18 has been favorable, compared to original projections, continuing a trend seen all the way back to the second half of 2016. Claims will next be evaluated at the 35 week mark for the rate setting meeting in October.</p> <p>Medical cost trend data was reviewed from several perspectives, including published insurance industry trend data, Milliman internal claims data, and Milliman analysis of insurance premium and out-of-pocket cost trends.</p> <p>Milliman then presented a first estimate of 2019 rates based on multiple scenarios of claims development patterns and hypothetical large claims exposure. Combining claims projection scenarios with known 2019 expense components, Milliman offered the preliminary estimate for 2019 rates. The preliminary estimate will be revisited in October.</p> <p>As they have done in recent years, to put our plan's richness in ACA terms, Milliman presented a 2018 analysis and confirmed that the absolute values at each benefit level, while close to the guidelines set by the Board, have begun to deviate slightly. Milliman will return in October with a grid showing possible out-of-pocket adjustments.</p> <p>Milliman discussed the complex world of prescription drug rebates. The Board endorsed using Milliman to assist in 2019 rebate discussions.</p> <p>Andrea Sheldon led the Board through a discussion of Assisted Reproductive Technologies, including the absolute cost of treatment, the projected risk of high-cost claims based on current data on ART births and the Plan census, the potential for adverse selection, and the current level of risk to the Plan from ART births in the absence of any specific coverage.</p> <p>Jim added information on discussions with members on specific ART procedures. Other Board members added perspective on medical decision-making models, the potential long term impact on the Plan of providing ongoing treatment for pre-term infants, and the social dimensions or ART and its sequelae.</p> <p>The Board agreed with their Chair's suggestion that they try to hold a listening session with representatives from the group that wrote to the UUA Board in the spring.</p>
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	<p>Finally, Milliman reviewed their risk-based capital model, their analysis of the Plan's current and projected surplus position, and their stochastic modeling results of future cash needs. The Plan's financial position is very strong, with surplus sufficient to meet NAIC standards.</p> <p>Barbara thanked the Milliman staff and declared a brief recess.</p>	
<b>11:30 AM</b>	RECONVENED WITH EBT AND STAFF ONLY FOR THE BALANCE OF THE AGENDA	BARBARA JOHNSON
11:30 AM	<p>REVIEW THE ESTIMATED EBT BUDGET FOR CY2019</p> <p>Jim presented the estimated operating budget for CY2019. The budget is used by Milliman to factor in the administration component of the 2018 rates. All costs other than the final 2019 stop-loss rates and any minor adjustments for the Highmark administration cost linked to benefit adjustments are known costs; Milliman makes those adjustments as part of the final October presentation.</p> <p>RELATED VOTE: M – Mike Wagner; S – Lucia Santini – To approve the estimated EBT CY2019 budget as presented. APPROVED unanimously</p>	JIM SARGENT
11:40 AM	<p>DIRECTOR'S REPORT</p> <p>Jim reported on the start of the annual RSM audit; : the audit team is in place, and there are no notable changes from the FY17 process.</p> <p>Jim provided an update on the Highmark Coalition's negotiations for a new three-year master agreement, with the UUA and PCUSA taking the negotiating lead for the Coalition. The final agreement reached with Highmark represents substantial savings for all of the Coalition members</p>	JIM SARGENT
11:45 AM PM	<p>APPROVAL OF MINUTES OF MAY 4, 2018</p> <p>RELATED VOTE: M – Tom Loughrey; S – Mike Wagner – To approve the minutes of May 4, 2018 APPROVED unanimously</p>	BARBARA JOHNSON
<b>11:50 AM</b>	<p>Other Business</p> <p>The Board set the dates for the July 19, 2019 meeting as July 25-26.</p>	BARBARA JOHNSON
<b>ADJOURNMENT</b>	Meeting adjourned at 11:50	

**Remaining meeting Dates for 2018:**

October 4 -5, in person, 24 Farnsworth Street. Oct 4 will include a dinner meeting; Oct 5 will be our second meeting with Milliman re: 2018 renewal, 9 – 1 ET.

November 19: final time TBD. This will be a joint teleconference with the UUA Audit Committee and the EBT auditors.