

# **UUA Employee Benefits Trust Trustees Meeting**

MINUTES

OCTOBER 5, 2018

9:00 A.M. EST

PRESIDENT'S  
COUNCIL ROOM

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

## Agenda topics

### CALL TO ORDER

9:05 AM	Call to order, introduction of Milliman presenters, appointment of a process observer	BARBARA JOHNSON
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9:10 AM      FINAL PRESENTATION AND DISCUSSION OF IBNR, 2019 RATING, PLAN DESIGN, AND SURPLUS ANALYSIS      MILLIMAN/ BOARD DISCUSSION

<b>PRESENTATION &amp; DISCUSSION</b>	<p>Sam D'Anna began with a presentation of Milliman's analysis of the June 30, 2018 IBNR, the final results of the adopted June 30, 2017 IBNR versus actual claims runout, and the primary drivers of the increase year-over year. Milliman's recommendation for IBNR is \$873,000</p> <p><b>Related vote:</b> To adopt Milliman's recommended June 30, 2018 IBNR <b>M</b> – Mike Wagner; <b>S</b> – Lucia Santini. <b>Approved</b> unanimously</p> <p>Sam and Andrea Sheldon then reviewed, and the Board discussed: the Plan's historical demographics; claims experience, trend, and margin; the basis for trend projections; 2019 expenses and fees; estimate of the 2019 Rx rebate and the mechanics of rebates; and the net impact of all the preceding factors on 2019 rates, before adjustments for plan changes and margin adjustments.</p> <p>Milliman then recapped the Board's July discussion of relative plan richness in ACA terms, and led a Board discussion of alternative approaches to keeping the relative and absolute richness of plan tiers within the guidelines the Board had established. After a discussion of multiple options the Board decided to set the 2019 Standard PPO individual deductible at \$1000, and adjust the out-of-pocket maximum to \$5000.</p> <p><b>Related vote:</b> to set the Std PPO parameters as noted <b>M</b> – John Vogt; <b>S</b> – Tom Loughrey. <b>Approved</b> unanimously</p> <p>The Board then agreed to amend the Bronze plan to a \$5000 individual deductible, with no change to the out-of-pocket maximum</p> <p><b>Related vote:</b> to set the Bronze plan parameters as noted <b>M</b> – John Vogt; <b>S</b> – Lucia Santini. <b>Approved</b> unanimously</p> <p>The Board then moved to a discussion of options for coverage of assisted reproductive technologies.</p> <p>Barbara Johnson began with a summary of the listening session held earlier with representatives from the group that had written to the UUA Board requesting another deep review of coverage for ART. Milliman reviewed the various components of ART and provided data on the projected cost of ART procedures, the projected number of births from IVF procedures, the expected number of premature births resulting from ART, and the potential cost of caring for premature infants.</p> <p>The Board discussed strategies for funding the various components of ART, including the use of explicit margin to build a reserve to cover the resulting births.</p>
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	<p>Board discussion then moved to a discussion of how to phase in ART coverage in a way that would give the Plan time to assess the financial impact of a limited benefit expansion, before moving to full ART coverage. The Board reached the following position: to add coverage for IUI, ICI, and related procedures in 2019, and to expand to full coverage of ART procedures in 2020 for members in the Plan for at least 12 months.</p> <p><b>Related vote:</b> to adopt a phased in plan for ART coverage as noted  <b>M</b> – Tom Loughrey; <b>S</b> – Mike Wagner, Karen Ferguson. <b>Approved</b> unanimously</p> <p>During a recess, the Director received Highmark’s final proposal for the 2019 prescription drug rebate, a substantial improvement over the placeholder figure in Milliman’s 2019 rate calculations.</p> <p>When the meeting resumed from the recess, Andrea reviewed Milliman’s stochastic analysis of the Plan’s surplus position. Their analysis shows that the Plan has reserves that more than meet the Board’s established minimum target, and that are safely in compliance with NAIC guidelines for insured plans.</p> <p>Finally, the Board moved to consideration of all of the factors impacting 2019 rates. Milliman summarized the impact of the base rate increase, the adopted plan changes, and the revised Highmark rebate proposal, and current surplus status. The result was the determination that 2018 rates would be sufficient to carry the Plan into 2019.</p> <p><b>Related vote:</b> to set the 2019 rates at a zero base increase, while allowing for the age related increases built into the rate tables.  <b>M</b> – Mike Wagner; <b>S</b> – Lucia Santini. <b>Approved</b> unanimously</p> <p>Barbara thanked the Milliman staff for another well-conceived and executed renewal analysis.</p>
12:45 PM	<p>DIRECTOR’S REPORT <span style="float: right;">JIM SARGENT</span></p> <p>Jim reviewed progress on the new CBA Master Services Agreement between Highmark and the participating denominations. He has been part of the negotiating team since July, along with his counterparts from PCUSA and Guidestone. This first rewrite since before 2000 is a large improvement over the original in terms of clarity, incorporation of advancements in interplan cooperation among Blues plans nationwide, and overall transparency of the cost of interplan activities – all changes sought by the 14 members of the Highmark coalition, of which the UUA is one. The final version will be ready for Tim Brennan’s signature before 1/1.</p> <p>The annual audit is nearing completion, with nothing out of the ordinary to report.</p>
12:55 PM	<p>APPROVAL OF THE MINUTES OF JULY 27, 2018 <span style="float: right;">BARBARA JOHNSON</span></p> <p><b>Related vote:</b> to approve the minutes of July 27, 2018  <b>M</b> – Mike Wagner; <b>S</b> – John Vogt. <b>Approved</b> unanimously</p>
1:00 PM	<p>PROCESS REVIEW <span style="float: right;">TOM LOUGHREY</span></p> <p>Board discussion.</p>
1:10 PM	<p>Adjournment <span style="float: right;">BARBARA JOHNSON</span></p>

**Remaining meeting Dates for 2018:**

November 19: final time 11:30 – 12:15. This will be a joint teleconference with the UUA Audit Committee and the EBT auditors.

**Set for 2019:** The Board set the dates for the July 2019 meeting as July 25-26.