

UUA Employee Benefits Trust Trustees Meeting

MINUTES

OCTOBER 2, 2015

9:00 A.M. EST

24 FARNSWORTH
STREET

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

Agenda topics

9:25 AM CALL TO ORDER BARBARA JOHNSON
PRESENTATION by Andrea Sheldon of Milliman, Plan actuaries

PRESENTATION	<p>Following the Board’s established protocol, Andrea began with the Milliman estimate of the June 30, 2015 IBNR reserve, followed by Milliman’s updated analysis of 2015 Plan claims experience, medical cost trends, 2016 rate projections prior to plan change analyses, a rate impact analysis of plan design options as specified by the Board at the July meeting, and a further discussion of use of surplus.</p> <p>The primary elements of plan design changes presented were:</p> <p>Highmark capacity to manage claims processing under an eSET scenario</p> <p>Transition to a revised multi-tier prescription drug benefit.</p> <p>The optimal approach to indexing the value of our plans to the Gold/Silver/Bronze structure of the Exchanges</p> <p>Optimal surplus target and industry comparisons</p>
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DISCUSSION	<p>IBNR reserve for June 30, 2015. IBNR is a required element in the Plan’s financial statements and impacts the discussion of surplus levels. Milliman’s recommended reserve level for June 30, 2015 is \$991,000. Andrea also reviewed the actual versus projected IBNR history for 2014. Related Vote: M-Suzyn; S-Tom, to accept the Milliman IBNR reserve estimate. Approved unanimously.</p> <p>2016 rate projection: Andrea presented the claims history and trend estimates and other assumptions used to project 2016 rates. The Board discussed the claims projections and all expense components used to create the baseline rate change before any plan changes were considered.</p> <p>Assisted fertilization. The Board heard staff’s report on the inability of Highmark to manage IVF claims in a manner that would distinguish eSET from other procedures, due to the inability of a large majority of local Blue Cross plans to process claims in that manner, and the lack of local contracts that might specify payment conditions for IVF procedures. According to the terms of the Board’s July vote, IVF coverage was removed from consideration for 2016.</p> <p>Plan design changes for 2016. Discussion focused on the need to evaluate two kinds of plan changes simultaneously: aligning the prescription drug benefit with industry-standard plans that address the increasingly complex reality of tiered generic drug pricing and the rapid rise of specialty drugs; and adjusting the actuarially computed richness of multiple plan designs to stay within the parameters of the gold/silver/bronze plan levels built into the Affordable Care Act. By addressing plan changes in this fashion, the Board balanced affordability for congregations and participating members with the reality of needing to keep the plans’ richness aligned with competition on the Exchanges.</p> <p>The final plan designs for 2016 will include the following benefit adjustments:</p>
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	<p>Standard PPO plan: Deductible - \$950 individual/\$1900 family; Out-of-pocket maximum - \$3500 individual/\$7000 family; 5-tier Rx @ 0/20/35/60/20% to a max of \$250.</p> <p>Both Silver-level HD plans: Deductible - \$3000 individual/\$6000 family; Out of pocket maximum - \$5000 individual/\$10000 family; Rx – non-specialty 30% to \$120 max, specialty 20% to \$250 max</p> <p>Bronze-level HD plan: Deductible - \$4500 individual/\$9000 family; Out of pocket maximum - \$6850 individual/\$13700 family; Rx – non-specialty 30% to \$120 max, specialty 20% to \$250 max</p> <p>RELATED VOTE: M-Jan, S-Suzyn: To approve the plan design changes as listed, with a 1/1/2016 base rate increase of 9.4%. Approved unanimously.</p> <p>Surplus analysis. The approved rate increase for 2016 includes no explicit margin. The changes create an expected change in unrestricted surplus to approximately 3.5 months of premium.</p>
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12:45 AM 2016 REINSURANCE CONTRACT JIM SARGENT

DISCUSSION	<p>Jim presented the proposed terms of 2016 reinsurance contract with Highmark Life Insurance.</p> <p>RELATED VOTE: M-Tom; S-Suzyn, to accept the 2016 contract as presented. APPROVED unanimously.</p>
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12:55 PM 2016-17 CDS CONTRACT EXTENSION JIM SARGENT

DISCUSSION	<p>Jim presented the terms of the 2016-17 contract extension and OCSF plans for a backup strategy.</p> <p>RELATED VOTE: M-Jan, S-John: To approve the 2016-17 contract extension Approved unanimously.</p>
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1:00 PM APPROVAL OF THE MINUTES OF JULY 31, 2105 BARBARA JOHNSON

DISCUSSION	<p>RELATED VOTE: M-Suzyn; S-John, to accept the July 31, 2015 minutes. APPROVED unanimously.</p>
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Meeting adjourned at 1:05 PM