

UUA Employee Benefits Trust Trustees Meeting

MINUTES

JULY 28, 2017

9:00 A.M. EST

KAY MONTGOMERY
ROOM

ATTENDEES	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
PRESENTER	Milliman: Andrea Sheldon, FSA; Bill Thompson, FSA; Samantha D'Anna

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 2018 RATING, PLAN DESIGN, AND EMERGING CLAIMS EXPERIENCE MILLIMAN/ BOARD DISCUSSION

PRESENTATION & DISCUSSION	<p>Milliman presenters offered their actuarial analysis of 2017 emerging claims experience, medical trend expectations, past performance of projection methodology, and a preliminary projection of 2018 rates prior to the analysis of any plan design options or margin considerations.</p> <p>Claims experience for the first half of CY17 has been favorable, continuing the trend seen in 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 2018 rates based on multiple scenarios of claims development patterns and hypothetical large claims exposure. Combining claims projection scenarios with known 2018 expense components, Milliman offered the preliminary estimate for 2018 rates. The preliminary estimate will be revisited in October.</p> <p>As further background for the Board, Milliman presented an analysis of plan "richness" in ACA terms and confirmed that the absolute values at each benefit level are within the guidelines set by the Board. They also reviewed the impact of trend leveraging and its impact on the timing of any adjustment to out-of-pocket limits.</p> <p>Bill Thompson then reviewed Milliman's analysis of Health Plan surplus, using the results of stochastic modeling of surplus and a comparison of Plan surplus to the Risk Based Capital model that is standard in the insurance industry. The surplus level for 2017 projected to 2018 exceeds both the floor set by the EBT and the National Association of Insurance Commissioners Risk Based Capital guidelines.</p> <p>Board discussion centered on the most appropriate ways to use surplus in 2018: ideas included increasing the Specific deductible under our stop-loss insurance coverage; increasing certain benefits; adjusting Medicare Supplement rates to be more in line with the market; and moderating any potential 2018 rate action for the benefit of Plan members. The Board offered specific recommendations for management and the actuaries to evaluate for the October meeting.</p> <p>Barbara thanked the Milliman staff and declared a brief recess.</p>
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12:05 PM	RECONVENED WITH EBT AND STAFF ONLY FOR THE BALANCE OF THE AGENDA	BARBARA JOHNSON
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12:05 PM	REVIEW THE ESTIMATED EBT BUDGET FOR CY2018	JIM SARGENT
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	<p>Jim presented the estimated operating budget for CY2018. The budget is used by Milliman to factor in the administration component of the 2018 rates. All costs other than the final 2018 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 – Lucia Santini; S – Tom Loughrey – To approve the estimated EBT CY2018 budget as presented. APPROVED unanimously</p>	
12:15 PM	<p>FY17 AUDIT LAUNCH</p> <p>Tim reported that the FY17 audit is set to begin mid-September. The RSM team leads will remain the same. Based on our preliminary meeting with RSM, there are no significant changes to the process from FY16.</p>	TIM BRENNAN
12:20 PM	<p>APPROVAL OF MINUTES OF MAY 5 & 15</p> <p>RELATED VOTE: M – Lucian Santini; S – Mike Wagner – To approve the minutes of May 5 % 15. APPROVED unanimously</p>	BARBARA JOHNSON
12:25 PM	<p>Process Review</p> <p>In general the process was good, with everyone able to bring their insights. The Board then had an extended discussion of the importance of looking at any cultural barriers that the Plan might create and how the Board could identify and remedy them. Future discussions will include how the Board itself can improve its own diversity while continuing to focus on critical success measures.</p>	JOHN VOGT
ADJOURNMENT	Meeting adjourned at 12:45	

Remaining meeting Dates for 2017:

October 5 - 6, in person, 24 Farnsworth Street. Oct 5 will include a dinner meeting; Oct 6 will be our second meeting with Milliman re: 2018 renewal, 9 – 1 ET.

November 20: final time TBD. This will be a joint teleconference with the UUA Audit Committee and the EBT auditors.