

UUA Employee Benefits Trust Trustees Meeting

MINUTES

OCTOBER 4, 2019

9:00 A.M. EST

PRESIDENT'S
COUNCIL ROOM

ATTENDEES	Trustees: Barbara Johnson (Chair), Tom Loughrey, John Vogt, Lucia Santini, Karin Ferguson, Michael Wagner, Andrew McGeorge Staff: Jim Sargent, Patti Angelina, Richard Nugent, Kati Campopiano, Rob Molla
PRESENTER	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, 2020 RATING, PLAN DESIGN, AND SURPLUS ANALYSIS MILLIMAN/ BOARD DISCUSSION

PRESENTATION & DISCUSSION	<p>Sam D'Anna began with a presentation of Milliman's analysis of the June 30, 2019 IBNR, the final results of the adopted June 30, 2018 IBNR versus actual claims runout, and the primary drivers of the increase year-over year. Milliman's recommendation for IBNR is \$1,346,000. The \$511,000 increase was driven by large claims incurred late in FY19 and paid in July and August 2019. Sam explained that this kind of large swing is also a product of the Board's practice of fixing IBNR at a single point in time: June 30.</p> <p>Related vote: To adopt Milliman's recommended June 30, 2019 IBNR of \$1,346,000. M – Lucia Santini; S – Mike Wagner. Approved unanimously</p> <p>Plan actuary Andrea Sheldon then reviewed, and the Board discussed: the Plan's historical demographics; claims experience, trend, and margin; the impact of large claims and the relative volatility of the occurrence of large claims in a particular year; the basis for trend projections; 2020 expenses and fees; the 2020 Rx rebate, its improvement over 2019, and the mechanics of rebates; and the net impact of all the preceding factors on 2020 rates, before adjustments for plan changes and margin allocation.</p> <p>Milliman presented, and the Board discussed, a range of scenarios driven primarily by the volatility of large claims and the weight to be given to earlier and later experience years.</p> <p>Milliman reviewed the current structure of the age curve. The Board agreed to have a future discussion with Milliman regarding the age slope, the rationale for keeping or changing the curve, the potential impact on enrollment, and whether or not it is possible to determine an age curve/race intersectionality.</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 options, the Board decided to maintain all 2019 out-of-pocket levels for 2020.</p> <p>In a separate discussion of surplus, Milliman reiterated that all of the \$500K increase in IBNR had been accounted for in the runout July and August claims, which had in turn been factored into the renewal rate options.</p> <p>Milliman and the Board then reviewed a range of plan change options for 2020. The Board decided to: remove the Davis Vision option from the plan; add mental health consults to the Teledoc benefit; adopt the Highmark Market Watch program to more closely track prescription drug marketplace; and change our Medicare Supplement plan from a Plan F to a Plan G, if necessary to comply with changes mandated by CMS. Staff was directed to clarify the application of that CMS change to the operation of our plan.</p>
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	<p>Finally, the Board reaffirmed its commitment to move forward with the second year of transition to full coverage of assisted reproductive technologies, as voted on in 2019 renewal discussions.</p> <p>Related vote: to set the 2020 rates at a 5.0% base increase, while allowing for the age related increases built into the rate tables. The rate action recognizes that explicit margin will be set at a negative 3.0%.</p> <p>M – Lucia Santini; S – Tom Loughrey. Approved unanimously</p> <p>Barbara thanked the Milliman staff for another well-conceived and executed renewal analysis.</p>	
11:30 AM	<p>DIRECTOR'S REPORT</p> <p>Jim reported that the CBA Master Services Agreement between Highmark and the denominations that participate in the Highmark Coalition has been finalized and customized for each of the participating denominations.</p> <p>The annual audit is nearing completion, with nothing out of the ordinary to report.</p> <p>Jim noted that there is some evidence that Highmark is tightening its application of clinical guidelines, particularly with respect to admissions for shorter projected lengths of stay. The Board asked Jim to request that Highmark set up a regular quarterly reporting system and mechanism to discuss, at the Medical Director level, all initial denials and their resolution.</p>	JIM SARGENT
12:55 PM	<p>APPROVAL OF THE MINUTES OF JULY 26, 2019</p> <p>Related vote: to approve the minutes of July 22, 2019, with a correction of the name of the UUA Treasurer as of July 26.</p> <p>Moved, Seconded and Approved unanimously</p>	BARBARA JOHNSON
12:00 PM	<p>PROCESS REVIEW</p> <p>Board discussion.</p>	TOM LOUGHREY
12:10 PM	<p>Adjournment</p>	BARBARA JOHNSON
