

SPOKANE COUNTY LABOR MANAGEMENT
HEALTHCARE COMMITTEE
September 7, 2011
MINUTES

Facilitator: Cathy Mahlzan (HR)

Attendees: Rick Mendoza (LRU), Neil Carroll (PWG), Amie Swenson (Treasurers), Earl Howerton (SC Lt/Cpt Assoc.), Jim Cotter (Road Suprv. Guild), Bryan Hopp (Road Suprv. Guild), Jonathon Holden (1135), Kris Forgey-Haynie (1553S), Melissa Diamanti (492 RFC), Kristen Storment (492 RFC), Lonnetta Cook (1553), Bob Streich (M&O), Kelly Bendar (M&O) and Marianne Barrentine (PWG).

1. Guiding Principles were reviewed for updates. As there is no longer a benefits coordinator, the committee will need to look at options for a meeting facilitator (HR most likely as they have access to reports, etc.) and for someone to take minutes (rotating volunteers?). Regarding the Committee goals, emphasis in the past on understanding, education and communication and not on recommending changes to plan design or strategies for efficiency. Please review and discuss with your group and bring ideas to next meeting for any updates to the Guiding Principles.
2. Bob Streich , Moloney and O'Neil, presented and explained the latest experience reports (attached) for Group Health, Self-funded Medical (Premera) and Self-funded Dental (Washington Dental Service) Plans.

Premera – The County purchases reinsurance to help manage risk of large claims on individual members on the plan. The individual stop loss reinsurance coverage limits the plan exposure to \$300K per person per year. This was increased effective February 1, 2010 after more than ten years at \$200K based on balance of cost vs. risk. Rarely have annual per person claims over \$200K. Expenses running at 92% of budget so far this plan year, 97% for the past 12 month period (Aug. '10-July '11). Past history 98% in 2010 plan year, 109% in 2009, 91% in 2008 and 96.6% in 2007. Usually within 10% of budgeted amount. Savings with other plan administrators? No, Premera has biggest discount, most buying power therefore best deal in town.

Self-Funded Plan Reserves – No specific criteria for amount of reserves but audited by State Risk Management Office. Recommended level based on plan solvency, claims fluctuation, and outstanding claims (lag in billing). Auditors have always approved of our conservative reserve fund management. Commissioners would like to keep reserves at 6 mo. level.

Group Health- the Group Health plan is insured and is different than the Self Funded plan in that Group Health charges a fixed premium for coverage and Group Health assumes the risk. However, beginning in 2008, Spokane County shares in any gain or deficit between rates and claims through a Rate Stabilization Reserve (RSR) agreement with Group Health. Funds in this account (managed by Group Health) can only be used to offset premium increases, for premium holidays, or purchase of benefit enhancements.

The County used the RSR this year to reduce premiums (4% increase instead of 8%) but impact to RSR will not be known until after end of plan year and actual claims are known, usually April or May. If claims and fixed administrative expenses match actual rates, no use of RSR may be required. With claims so far running about 5% above last years, use of RSR may be minimal if any. Why are Group Health cost increases so much less than the self funded plan? The GH plan is an HMO providing managed care with both in-house and contracted community providers so they have more control in managing costs. GH members are simply using less medical than everyone else for a given demographic.

3. Wellness Committee Update – Kris Forgey-Hanie said that the Committee has been active, providing classes in Yoga, Zumba, boot camp, meditation, etc. The committee is planning another Biggest Loser contest in January. The smoking/wellness survey had a good response and results will be posted soon.
4. Cathy Malzahn noted some upcoming dates:
 - Flu shots – Oct. 27th
 - Benefits Fair – Oct. 28th
 - Open Enrolment – Mid. Nov.
5. Next meeting set for Wed. Nov. 16th at 1:30 [Date changed to Thurs. Nov. 17th due to room availability]. Cathy will confirm availability of the HR training room for that date.