

**ASSOCIATION OF WASHINGTON CITIES
EMPLOYEE BENEFIT TRUST
HEALTH CARE PROGRAM**

**Meeting Minutes
Cedarbrook Lodge, SeaTac and Online
Thursday, September 29, 2022
9:00 am**

Present:

Chair & Southeast Region Trustee, Glenn Johnson, Mayor, Pullman
Vice Chair & Northeast Region Trustee, Paul Schmidt, Councilmember, Cheney
Northwest Region Trustee, Julie Struck, Mayor, South Bend
Southwest Region Trustee, Jennifer Jensen, Councilmember, Ruston
AWC Trustee, Josh Penner, Mayor, Orting
AWC Trustee, Wendy Weiker, Councilmember, Mercer Island
EBAC Chair, Emily Schuh, Administrative Services Director, Anacortes
EBAC Vice-Chair, Jennifer Gorsuch, Administrative Services Director, Camas

Staff Present:

Deanna Dawson, CEO
Alicia Seegers Martinelli, Deputy CEO/COO
Gene Emmans, CFO
Carol Wilmes, Director, Member Pooling Programs
Beverly Lakey, Program Director
Darla Mansfield, Employee Benefits Supervisor
Laurell Kaiser, Health Promotion Supervisor
Bobbi Fox, Benefits Coordinator
Megan Cohara, Health Promotion Coordinator
Betsy Hildreth, Executive Assistant/Recording Secretary
Meg Gooding, Membership Specialist

Others:

Mike Berry, Nicole Persson, Aon
Kiran Griffith, Perkins Coie
Jake Kalina, Kyle Plitt, RVK
John Clavin, Adam Ware, Merganser
Olga Darlington, Kendra Ayers, Moss Adams

1. *Call to Order, Welcome, and Introductions*

Ms. Lakey reviewed the meeting protocols, in compliance with the Open Public Meetings Act (OPMA) under RCW 42.30; she explained to attendees how to use the functions of the Zoom technology to participate in the web meeting, explained the remote governance procedures, and confirmed that all motions and seconds would be made by name and if necessary, followed by a roll call vote.

Ms. Lakey then asked for verbal confirmation from the participants that they could all hear and be heard and that they all received the agenda materials. Upon confirmation, the meeting was turned over to Chair Glenn Johnson to call the meeting to order.

1.1 Welcome, introductions, and opening remarks

Chair Glenn Johnson called the meeting to order at 9 am. A quorum was established. Introductions followed.

2. *CEO Report*

2.1 Meeting Overview

Ms. Dawson provided an overview of the meeting.

3. *Governance*

3.1 Open Public Meeting Amendments under RCW 42.30 – Call for Public Comment

In accordance with the Open Public Meetings Act RCW 42.30, the AWC Trust Health Care Program Board of Trustees invited public comment.

There was no public comment.

4. *Administration/Operations*

4.1 April 28, 2022 Health Care Program Meeting Minutes

The Board reviewed the minutes of the April 28, 2022 Health Care Program Board of Trustees meeting.

Motion:

Motion by Paul Schmidt to approve the April 28, 2022 Health Care Program Board of Trustees meeting minutes, second by Emily Schuh; motion carried.

5. *2023 Renewal – Benefit Experience and Plan Design*

5.1 Experience and 2023 Renewal Projections

Aon consultants Mike Berry and Nicole Persson reviewed with the Board the 2022 experience, 2023 renewal projections, as well as the 2022 large claim distribution to date .

5.2 Stop Loss Update

Staff and consultants from Aon, provided a stop loss coverage update for the self-insured Regence/Asuris plans and Kaiser health plans.

5.3 Proposed Benefit Plan Change – Regence/Asuris/Kaiser Limited Travel Benefit Related to Dobbs v. Jackson Women’s Health Organization Outcome

Mr. Berry reviewed the proposed benefit plan change and costs associated with adding the Regence/Asuris standard travel benefit related to abortion and gender-affirming surgery services. EBAC recommended the Board implement the Regence/Asuris standard travel benefit.

Motion:

Motion by Wendy Weiker to adopt EBAC’s recommendation to implement the Regence/Asuris standard travel benefit of \$2,000 related to abortion and gender-affirming surgery services when

the member lives in a state where these services are banned, effective January 1, 2023, additionally offer a similar benefit under Kaiser when available, second by Paul Schmidt; motion carried with two nays.

5.4 Proposed Benefit Plan Change – Regence Accountable Health Network

Mr. Berry reviewed the proposed benefit plan change and costs associated with adding the Virginia Mason Franciscan Health Network to the Regence Accountable Health Network plan options, effective January 1, 2023. EBAC recommended the Board add the new plan.

Motion:

Motion by Paul Schmidt to adopt EBAC's recommendation to add the Virginia Mason Franciscan Health Network to the Regence Accountable Health Network plan, effective January 1, 2023, second by Emily Schuh; motion carried.

5.5 Proposed Benefit Plan Change – Regence/Asuris Nutritional Counseling Coverage

Ms. Lakey and Mr. Berry reviewed the proposed benefit plan change and costs associated with increasing the Regence/Asuris nutritional counseling benefit to unlimited from 10 visits per covered individual's lifetime. EBAC recommended the Board adopt unlimited visits when medically necessary.

Motion:

Motion by Josh Penner to adopt EBAC's recommendation to increase the Regence/Asuris nutritional counseling benefit from 10 visits per covered individual's lifetime (diabetic education and counseling is not subject to this limit) to unlimited visits as long as deemed necessary, effective January 1, 2023, second by Jennifer Jensen; motion carried.

5.6 Proposed Benefit Plan Change – Regence/Asuris/Kaiser Bariatric Coverage

Ms. Lakey and Mr. Berry reviewed the proposed benefit plan change and costs associated with adding bariatric surgery benefits to the Regence/Asuris and Kaiser plans. EBAC recommended the Board include this coverage with a lifetime benefit limit of \$35,000.

Motion:

Motion by Paul Schmidt to adopt EBAC's recommendation to add bariatric surgery benefits to the Regence/Asuris/Kaiser plans, utilizing the Centers of Excellence facilities as determined by the carriers, with a lifetime benefit limit of \$35,000, effective January 1, 2023, second by Jennifer Gorsuch; motion carried.

5.7 Proposed Benefit Plan Change – VSP Plan Enhancements

Ms. Lakey and Mr. Berry reviewed the proposed benefit plan change and costs associated with enhancements to VSP's frame allowances. EBAC recommended the Board increase the frame allowance as proposed.

Motion:

Motion by Jennifer Jensen to adopt EBAC's recommendation to increase the frame allowance from \$150 to \$200 under all AWC Trust HCP Vision Service Plans, effective January 1, 2023, and increase the frame allowance provided at Walmart/Sam's Club/Costco from \$80 to \$120 under all AWC Trust HCP Vision Service Plans effective January 1, 2023, second by Glenn Johnson; motion carried.

5.8 Proposed Benefit Plan Change – Castlight: Vida Health

Ms. Kaiser reviewed the proposed benefit plan change and costs associated with transitioning health coaching services from Aduro to Vida. EBAC recommended the Board adopt changing coaching services within Castlight from Aduro to Vida Health.

Motion:

Motion by Paul Schmidt to adopt EBAC's recommendation to transition health coaching services from Aduro to Vida Health, effective February 1, 2023, second by Julie Struck; motion carried.

5.9 Kaiser Permanente 2023 Contract Standardizations

Each year, Kaiser provides the AWC Trust with their contract standardizations, which is a combination of state, federal, and corporate policy changes which may require a response from the broker/consultant and staff. The Kaiser document was received and reviewed with the Trusts' broker/consultant prior to this meeting.

Staff and Mr. Berry reviewed the proposed changes to the contract standardizations by Kaiser with the Board.

5.10 Regence/Asuris 2023 Contract Standardizations

Each year, Regence/Asuris provides the AWC Trust with their contract standardizations, which is a combination of state, federal, and corporate policy changes which may require a response from the broker/consultant and staff. The Regence/Asuris document was received and reviewed with the Trusts' broker/consultant prior to this meeting.

Staff and Mr. Berry reviewed the proposed changes to the contract standardizations by Regence/Asuris with the Board. The Board was asked to review and either adopt or decline coverage for generic sexual dysfunction medications.

Motion:

Motion by Jennifer Jensen to adopt coverage for generic sexual dysfunction medications under Regence/Asuris, according to their contract standardization, effective January 1, 2023. Prior authorization will be required for non-generic sexual dysfunction medications, second by Julie Struck motion carried.

5.11 2023 Rate Renewal Adoption

Ms. Lakey reviewed the 2023 renewal projections with the Board.

Motion:

Motion by Glenn Johnson to adopt the January 1, 2023 rate renewal for the self-insured plans, based on EBAC's recommended plan changes and broker/consultant recommended increases for Regence/Asuris: 4.5% for all active plans, 4.5% for all non-Medicare retiree plans, and 4.5% increase for the LEOFF 1 (Plan A). For Kaiser Permanente: 7% increase for all active HMO and PPO plans and a 7% increase for all non-Medicare retiree plans. For Delta Dental and Willamette Dental a 0% increase and for VSP a 0% increase, second by Paul Schmidt; motion carried.

6. *Financial Reports*

6.1 2021 Trust Health Care Program Audit

Olga Darlington of Moss Adams reviewed the 2021 draft audited financial statements. The auditor issued an unmodified opinion on the Health Care Program financial statements.

Motion:

Motion by Jennifer Jensen to accept the 2021 audited financial statements of the AWC Employee Benefit Trust Health Care Program, second by Paul Schmidt; motion carried.

6.2 Trust Health Care Program Second Quarter 2022 Financial Report

Mr. Emmans reviewed the 2022 second quarter unaudited financial report with the Board.

6.3 Trust Health Care Program (HCP) Investment Report; Merganser Investment Manager Presentation

John Clavin and Adam Ware of Merganser provided a review of the Trust HCP portfolio, performance analysis, and a fixed income market update.

Kyle Plitt and Jake Kalina of RVK reported on the Trust's second quarter investment performance through July 31, 2022 and a market update through September 9, 2022.

7. Meeting Schedule/Training

7.1 2022-2023 Board of Trustees Health Care Program Meeting and Fiduciary Training Schedule

The 2022 and 2023 Health Care Program meeting schedule and fiduciary training opportunities were provided in the agenda packet.

8. Adjournment

8.1 Adjourn

Chair Johnson adjourned the meeting at 12:09 pm.

The foregoing minutes were approved by the Board of Trustees on 12/17/2022.
Date



Chair

ATTEST:



Recording Secretary