

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

Meeting Minutes
Wednesday, September 27, 2023
Cedarbrook Lodge, SeaTac and Online
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
Carol Rehnberg, AWC RMSA Program Director
Harizon Odembo, Employee Benefits Manager
Terri Luther, Marketing and Field Service Manager
Bobbi Fox, Employee Benefits Analyst
Betsy Hildreth, Executive Assistant/Recording Secretary

Others:

Mike Berry, Nicole Persson, Aon
Kiran Griffith, Stoel Rives
Jake Kalina, RVK
Lauren Surek, Olga Darlington, Emina Cresswell, Moss Adams

1. *Call to Order, Welcome, and Introductions*
 - 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 Act – 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 27, 2023 Health Care Program Meeting Minutes

The Board reviewed the minutes of the April 27, 2023, Health Care Program Board of Trustees meeting.

Motion:

Motion by Paul Schmidt to approve the April 27, 2023, Health Care Program Board of Trustees meeting minutes, second by Julie Struck; motion carried.

5. *2024 Renewal – Benefit Experience, Plan Design, Rate Adoption*

5.1 Experience and 2024 Renewal Projections

Aon consultants Mike Berry and Nicole Persson reviewed with the Board the 2023 year-to-date experience, 2024 renewals for all self-insured plans, as well as the 2023 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 Regence/Asuris/Kaiser 2024 Contract Standardizations

Each year, Regence/Asuris and Kaiser provide 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 proposed changes to the contract standardizations were received and reviewed with the Trust's broker/consultant prior to this meeting.

Broker/consultant Mike Berry of Aon reviewed the Regence/Asuris contract standardizations and proposed changes with the Board. Items requiring Board action were addressed under separate agenda reports. Under Kaiser, clarifications were made to existing benefits and noted in the attachment.

5.4 Proposed Benefit Plan Change – Regence/Asuris/Kaiser Hearing Instrument Coverage

Ms. Lakey reviewed the proposed benefit plan change and costs associated with increasing hearing benefits for all self-insured plans to match benefits under HB 1222.

Motion:

Motion by Emily Schuh to adopt EBAC's recommendation to increase Regence/Asuris/Kaiser hearing benefits for all self-insured plans to match benefits under HB 1222, which include bone conduction hearing services, initial assessment, fitting, adjustment, auditory training, and ear molds. Additionally, coverage of \$3,000 per ear every 36 months is provided specifically to hearing instruments, not subject to deductible except under IRS qualified High Deductible Health

Plans. These coverage changes are effective January 1, 2024, second by Jennifer Jensen; motion carried.

5.5 Proposed Benefit Plan Change – Regence/Asuris/Kaiser High Deductible Health Plan: Review of Deductible and Out-of-Pocket Amounts

Ms. Lakey reviewed the proposed benefit plan change and costs associated with increasing the minimum deductibles under all Trust High Deductible Health Plans (HDHP) to meet IRS qualified HDHP requirements.

Motion:

Motion by Jennifer Jensen to adopt the proposed benefit plan change to increase minimum deductibles under all Trust HDHP plans to meet IRS qualified HDHP requirements, which are \$1,600 (self-only coverage) and \$3,200 (family coverage), effective January 1, 2024. Additionally, increase deductibles under HDHP's as necessary in the future to comply with IRS qualified HDHP requirements, second by Glenn Johnson; motion carried.

Staff reported to the Board that there was no EBAC recommendation regarding increasing the out-of-pocket maximum under all Trust Kaiser HDHP's. The Board may still consider increasing these maximums to \$4,000 or \$5,000 for self-only coverage/\$8,000 or \$10,000 for family coverage.

No motion was required as the Board agreed to stay at the same amount for out-of-pocket maximums under all Trust Kaiser HDHP's.

5.6 Proposed Benefit Plan Change – Regence/Asuris/Kaiser Reproductive Health Care Services

Ms. Lakey reviewed the proposed benefit plan change and costs associated with increasing Regence/Asuris/Kaiser reproductive health care service benefits for all self-insured plans to match benefits under SB 5242.

Motion:

Motion by Paul Schmidt to adopt EBAC's recommendation to increase Regence/Asuris/Kaiser reproductive health care service benefits effective January 1, 2024, for all self-insured plans to match benefits under SB 5242, which removes in-network cost sharing for termination of pregnancy benefits and medications, except for qualified IRS HDHP's, where the deductible would still apply, second by Wendy Weiker; motion carried.

5.7 Proposed Benefit Plan Change – Regence/Asuris Virtual Musculoskeletal Programs

Ms. Lakey reviewed the proposed benefit plan change and costs associated with adding the Hinge Health program to Regence/Asuris plans.

Motion:

Motion by Jennifer Jensen to adopt EBAC's recommendation to add the Hinge Health program to Regence/Asuris plans, effective January 1, 2024, second by Paul Schmidt; motion carried.

Chair Johnson called for a recess at 10:40 am. The meeting reconvened at 10:55 am.

5.8 Benefit Plan Change – Regence/Asuris Copay Maximization to Flex Access

Regence notified Trust staff that effective January 1, 2024, they would sunset the Copay Maximization program and transition to a coupon savings program called Flex Access. Due to the opt out deadline, a decision was made by the Trust prior to this meeting to transfer coverage to the new program.

5.9 Regence/Asuris/Kaiser GLP-1 Medication Review

Staff and broker consultants presented information on the class of medications included under glucagon-like peptide-1 (GLP-1), the increase in utilization of these medications, and pre-authorization Regence/Asuris are implementing effective October 1, 2023.

5.10 Gene and Cell Therapy Review

Staff and broker consultants provided the Board with introductory information and responded to questions on the potential costs of offering gene and cell therapy treatments.

5.11 2024 Rate Renewal Adoption

Ms. Lakey reviewed the 2024 renewal projections with the Board.

Motion:

Motion by Josh Penner to adopt the January 1, 2024, rate renewal for the self-insured plans, based on broker/consultant recommended increases or Regence/Asuris: 4.1% for all active plans, 4.1% for all non-Medicare retiree plans, and 4.1% for the LEOFF 1 (Plan A). For Kaiser Permanente: 5.6% for all active plans, 5.6% 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 2022 Trust Health Care Program Audit

Representatives with Moss Adams reviewed the 2022 draft audited financial statements. The auditor issued an unmodified opinion on the Health Care Program financial statements.

Motion:

Motion by Paul Schmidt to accept the 2022 audited financial statements of the AWC Employee Benefit Trust Health Care Program, second by Glenn Johnson; motion carried.

6.2 Trust Health Care Program Second Quarter 2023 Financial Report

Mr. Emmans reviewed the 2023 second quarter unaudited financial report with the Board.

6.3 Trust Health Care Program Investment Report

Jake Kalina of RVK reported on the Trust's second quarter investment performance through July 31, 2023, and a market update through September 11, 2023.

6.4 Out-of-Contract Payments

Ms. Lakey reviewed the two out-of-contract claims approved since the last Board of Trustees meeting on April 27, 2023.

7. *Meeting Schedule/Training*

7.1 2023-2024 Board of Trustees Health Care Program Meeting and Fiduciary Training Schedule

The 2023-2024 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 12:08 pm.

The foregoing minutes were approved by the Board of Trustees on 11/30/2023 .
Date

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Glenn A. Johnson

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Chair

ATTEST:

DocuSigned by:

Betsy Hildreth

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Recording Secretary