

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

Meeting Minutes
Seattle Airport Marriott and Online
Wednesday, September 25, 2024
11:15 am

Present:

Chair & Northeast Region Trustee, Paul Schmidt, Councilmember, Cheney
Vice Chair & AWC Trustee, Josh Penner, Mayor, Orting, *departed at 1:06 pm*
Northwest Region Trustee, Julie Struck, Mayor, South Bend
Southeast Region Trustee, Francis Benjamin, Mayor, Pullman
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:

Alicia Seegers Martinelli, Deputy CEO/COO
Gene Emmans, CFO
Carol Wilmes, Director, Member Pooling Programs
Beverly Lakey, Program Director
Harizon Odembo, Employee Benefits Manager
Laurell Kaiser, Health Promotion Supervisor
Bobbi Fox, Employee Benefits Analyst
Betsy Hildreth, Executive Assistant/Recording Secretary

Absent:

Southwest Region Trustee, Jennifer Jensen, Councilmember, Ruston

Others:

Nicole Persson, Jill Bakken, Aon
Jake Kalina, RVK
Kiran Griffith, Stoel Rives
Olga Darlington, Leah Johnson, Moss Adams
Roy Wilkinson, Wilkson Benefit Consultants
Debbie Lund, Employee Benefits Advisory Committee member

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

1.1 **Welcome, introductions, and opening remarks**

Chair Paul Schmidt called the meeting to order at 11:15 am. A quorum was established.
Introductions followed.

2. *CEO Report*

2.1 Meeting Overview

Ms. Martinelli gave an overview of the meeting.

3. *Governance*

3.1 Open Public Meeting Act – Call for Public Comment

Ms. Lakey gave a brief overview of the Open Public Meetings Act in relation to the AWC Trust Health Care Program meeting.

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

One written public comment was submitted and provided to the Board.

4. *Administration/Operations*

4.1 April 25, 2024 Health Care Program Meeting Minutes

The Board reviewed the minutes of the April 25, 2024, Health Care Program Board of Trustees meeting.

Motion:

Motion by Emily Schuh to approve the April 25, 2024, Health Care Program Board of Trustees meeting minutes, second by Jennifer Gorsuch; motion carried.

5. *Financial Reports*

5.1 Trust Health Care Program Second Quarter 2024 Financial Report

Mr. Emmans reviewed the 2024 second quarter unaudited financial report with the Board.

5.2 Trust Health Care Program Investment Report & Investment Policy Revisions

Jake Kalina of RVK reported on the Trust's second quarter investment performance through June 30, 2024, and provided a market update.

Staff and Mr. Kalina reviewed the Health Care Program Investment Policy and proposed minor changes to the policy by way of Resolution 2024-02 for review and adoption.

Motion:

Motion by Francis Benjamin to adopt Resolution 2024-02 (HCP Investment Policy), second by Julie Struck; motion carried.

5.3 2023 Trust Health Care Program Audit

Representatives with Moss Adams reviewed the 2023 draft audited financial statements. The auditor issued an unmodified opinion on the Health Care Program financial statements.

Motion:

Motion by Wendy Weiker to accept the 2023 audited financial statements of the AWC Employee Benefit Trust Health Care Program, second by Francis Benjamin: motion carried.

Chair Schmidt called for a recess at 11:55 am. The meeting was reconvened at 12:20 pm.

Chair Schmidt moved to agenda item 6.4.

6. *2025 Renewal – Benefit Experience, Plan Design, Rate Adoption*

6.1 Experience and 2025 Renewal Projections

Nicole Persson of Aon reviewed with the Board the 2024 year-to-date experience, 2025 renewals for all self-insured plans, as well as the 2024 large claim distribution to date.

6.2 Regence/Asuris/Kaiser 2025 Contract Standardizations – For Board Information Only

Each year, Regence/Asuris and Kaiser provide the 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.

This information was provided as information only, and staff noted that these changes were deemed administrative and not in need of formal approval.

6.3 Drug Manufacturer Assistance Programs

Ms. Lakey presented information on the drug manufacturer assistance program offered under the Regence/Asuris self-insured plans, the current state of the law under the Affordable Care Act, and the expectation of future federal agency guidance applicable to such programs.

6.4 Pharmacy Benefit Manager (PBM) Request for Proposal Update; Panel and EBAC Recommendation

Ms. Lakey provided information on the Trust's selected Pharmacy Benefit Manager (PBM) consultant, the process of going out to bid and interviewing Pharmacy Benefit Managers, the PBM proposals received, and the interview panel's discussions leading up to their recommendation for EBAC and Board of Trustees consideration.

The Trust's PBM consultant -- Roy Wilkinson of Wilkinson Benefit Consultants -- educated the Board on PBMs and what they do, discussed pricing and why transparency is important, as well as reviewed the request for proposal process and outcome.

Staff, the interview panel, and EBAC recommended remaining with Prime Therapeutics PBM services under the Trust's Regence/Asuris self-insured plans.

Motion:

Motion by Josh Penner to adopt EBAC's recommendation to continue to contract with Prime Therapeutics as the AWC Trust's Pharmacy Benefit Manager under all self-insured Regence/Asuris plans, second by Emily Schuh; motion carried.

Chair Schmidt moved to agenda item 6.1.

6.5 2025 Rate Renewal Adoption

Ms. Lakey reviewed the 2025 renewal projections with the Board.

Motion:

Motion by Francis Benjamin to adopt the January 1, 2025, rate renewal for the self-insured plans, based on broker/consultant recommended increases for Regence/Asuris: all active plans 7.3%

increase, all non-Medicare retiree plans 7.3% increase, and LEOFF 1 (Plan A) 7.3% increase. For Kaiser Permanente: all active plans (HMO & PPO) 8.2% increase, and non-Medicare retiree plans 8.2% increase. For Delta Dental: 0% increase, and Willamette Dental: 6.9% increase, and for VSP: 0% increase, second by Wendy Weiker; motion carried.

7. *Meeting Schedule/Training*

7.1 **2024-2025 Board of Trustees Health Care Program Meeting and Fiduciary Training Schedule -For Board Information Only**

The 2024-2024 Board of Trustees Health Care Program meeting schedule and fiduciary training opportunities were provided in the agenda packet.

8. *Adjournment*


8.1 **Adjourn**

Motion:

Motion by Wendy Weiker to adjourn the meeting at 1:41 pm, second by Paul Schmidt; motion carried.

The foregoing minutes were approved by the Board of Trustees on 12/10/24.
Date

Signed by:


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Chair

ATTEST:

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Recording Secretary