

HEALTH CARE COMMITTEE MEETING
September 15, 2005
Auto License Conference Room

In attendance: Bartlett, Kathy; Eierdam, Dan; Gassaway, Mark; Goddard, Donna; Hicks, Maureen; Larson, Keith; McEntire, Bill; Mixer, Cheryl; Rauchenstein, Mark; Renon, Tino; Schulte, Steve; Thompson, Marc; Venezia, Teri; Washington, Robin.

Absent: Bishop, Ric; Conner, Ruth; Cross, Theresa; Curtis, Kathi; Dunaway, Wendy; Dobbs, Lisa; Heal, David; Keltz, Mary; Malicki, Mary; Mason, Pam; Payne, John; Rains, Harold; Stuck, Alyssa; U'ren, Lisa; Volkman, Lori; Wastradowski, Jim; Waterman, Shawn.

Minutes: Approval of the minutes from the August 18th meeting has been deferred until the next meeting in February due to lack of quorum. Mary Keltz asked for one change which is included in the revised minutes. Revision done September 15, 2005.

Final Numbers:

2006 Rate Summary – final budget carry forward is \$53.39 for plan year 2007. Aetna renewal is 6%, Kaiser medical, 8.9% WDS is 10.38%; Kaiser dental is zero, VSP at 12.02% which is reflective of what the credit was for 2005. Overall, the increase for 2006 is 6.49%, giving the health care committee a credit carry forward of \$53.39 pepm. Next page in the packet is the rate outline for 2006. The rate outline will be built upon so a rate history is developed over time.

Kathy received authorization for credit carry forward from the Board. She will now put together the MOU formally approving the credit since the final number is completed.

Teri - WDS wouldn't reduce the rate any more, giving us a 10.38% increase. This is because of the distribution of the provider's used by the plan members, which did not demonstrate as great of a savings as they had projected. AON presented them with their "logical underwriting review," and WDS would not buy it. WDS stood firm on the 10.38%.

Experience Reports – first page is the Aetna plus the Regence claims run out. This was provided so the committee can see continuous claims. The exhibit fills in the months where there would have been a claim lag. Column "F -the total claims for each month," which shows the \$522,964 is the Regence claims run out. Aetna claims would not have hit yet. The next page shows the Aetna experience by itself. Referring to column N shows the loss ratio, which gives a comparison of premium to claims and expenses. At the beginning the loss ratio was low because of low claims. But, don't get too alarmed about experience at this point, because claims are still finding their way to Aetna from the beginning of the year, some could be residual claims lag, some people just beginning to figure out how to use the plan, and people hitting the deductibles. Teri cautioned the

group not to get too excited about the loss ratio. She thinks July and August may be low claim months. The data is also not related to large claims - see separate large claims report. Data shows through June, but still not seeing anything huge. If claims experience does not abate then we will have a large rate increase to deal with. However, at this point the plan is still healthy.

Page 11 is the VSP experience, which is also picking up, but dropped back in July. The experience can level off since the benefit is for two years.

WDS – 107% loss ratio. Current loss ratio supports the renewal they gave us. Question - What is Column J, Answer - it is Expense per employee. Expense per employee is running about \$10 per employee more than last year. May be related to raising the annual maximum, which was increased to \$1500 in 2005 from \$1250.

Next thing, when we get some more data we can do the projections for 2007. We discussed waiting until we have 12 months of data under Aetna to develop projection for County and bargaining groups.

For next time, we will do away with the Regence data. Teri included it to see impact. Keith thinks it is important to look at trends in medical and pharmacy. Teri indicated we will do more trending.

Plan Design – no discussion

Open Enrollment – Kathy talked about thoughts for open enrollment. Namely, open enrollment information will go out around the end of October, will have a low key open enrollment, employees will receive informational packets.

Medicare Part D – Kathy provided a heads up about Medicare Part D, which is the new Prescription Drug program the Federal Government is providing to Medicare eligible people. Eligible employees and dependents will be receiving information from either the carrier or the County about this new program and how their benefits may be affected. If they have questions, please refer to Benefits.

Next meeting will be held in early February to go over experience and trends. At that point the committee will draft the letter to the BOCC for 2007 projections.

Adjourned at 1:50 pm

Thank you to all who attended, and all who worked hard on our 2006 renewals during the past year.