



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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AS APPROVED

To: Local Government Self Insurance
Health and Welfare Advisory Board

From: John Nicholson
Local Government Self Insurance Program Administrator

Subject: Health and Welfare Advisory Board Meeting Minutes
May 11, 2006 meeting

HEALTH AND WELFARE BOARD MEMBERS PRESENT

Chase Davis Office of the Insurance Commissioner (OIC)
Irene Eldridge Service Employee International Union Local 925
Roger Neumaier Snohomish County
Richard Rodruck Public Utility Risk Management Services
Don Johnsen Local Government Self Insurance Program

HEALTH AND WELFARE BOARD MEMBERS ABSENT

Ruth Russell University Place Schools
Sheryl Smith City of Yakima
Kevin Rejecki Washington State Council of Firefighters

GUESTS

Paul Chasco Association of Washington Cities (AWC)
Margaret Stanley Puget Sound Healthcare Alliance

CALL TO ORDER

Meeting called to order 9:30 a.m. by Chair Irene Eldridge.

BOARD MEMBER NEWS/ISSUES ROUND TABLE

Irene Eldridge reviewed a number of employee benefits related initiatives in recent SEIU negotiations.

Roger Neumaier noted continued improvements in the financial soundness of the County's benefits program. Reported program IBNR was recently increased relative to expenses. The County budgeted and hired a wellness coordinator.

Dick Rodruck discussed measures being considered to address claims experience increases for the joint PUD benefits program he administers. Members share pool administrative costs (pool stop loss and PPO premiums) and 'shared claims' - i.e. the difference between pool ISL deductibles and that calculated on same basis for each

PUD member's enrollment. Shared claims experience increased in '05 to 15% of total claims after decreasing to 8% in '04,

Guest Paul Chasco spoke about AWC health plan operations for their nearly 250 members. He discussed a recent initiative to reduce closed workers compensation claims being refiled under city health plans.

PUGET SOUND HEALTHCARE ALLIANCE PRESENTATION

Margaret Stanley was introduced by Roger Neumaier who recounted her extensive public and private sector healthcare experience. Currently Executive Director of the Puget Sound Health Alliance, she retired in 2004 as Vice President of Public Policy at Regence BlueShield. Previously, she was CalPERS Health Benefits Administrator and from 1988-96, Administrator of the Washington State Health Care Authority during which time Roger was chief finance/administrative officer.

Margaret explained that PSHA is a non profit alliance of health care purchasers, providers, insurers patients, physicians, hospitals, health plans, employers, union trusts, and others working together to improve quality and efficiency while reducing the rate of health care cost increases across King, Kitsap, Pierce, Snohomish and Thurston Counties. Alliance participants agree to support the use of evidence and data to identify and measure quality health care, and help the PSHA produce comparison reports for use in health care decision-making. PSHA initiatives to restrain cost increases and improve health care quality through improve clinical information and care quality will result primarily from a health care data repository intended to shift management focus from cost and control to identifying and measuring improvements in quality of care resulting in lower overall costs.

Alliance participants agree to use evidence and data to identify and measure quality health care, then produce publicly-available comparison reports designed to improve health care decision-making. Reports measuring the quality of care provided in the Puget Sound region, along with useful informational tools, will be helpful in health care decision-making, including identifying effective approaches to treatment, choosing or designing health benefit plans, deciding which doctor to see, knowing what questions to ask to get the best quality, and understanding what we each can do to improve our own health. Margaret noted that PSHA is expected to naturally grow beyond immediate five county area.

Roger noted Snohomish County recently joined PSHA. A motion was approved by the Board requesting PSHA information be provided to all approved local government self insured programs.

APPROVAL OF PREVIOUS MEETING MINUTES

February 10, 2006 Board meeting minutes were approved.

LGSJ REPORT

There was further discussion on the apparent continued decrease of incurred but not reported liability (IBNR) and net assets relative to actual expenses during 2005 and agreement the issue would be reviewed further at or after the third quarter August 10, 2006 Advisory Board meeting.

FUTURE MEETING SCHEDULING/BUSINESS/LOCATION

The August 10, 2006 Board meeting will be at the same location and include review of the individual and overall financial status of all approved self insured employee medical benefits programs.

PUBLIC COMMENT

There were no public comments.

ADJOURN

Meeting adjourned 12:00 p.m.