I. **Call to order**
Chairperson called to order the regular meeting of the IUBC on Tuesday, January 25, 2011.

II. **Roll call**
Chairperson conducted a roll call. The following persons were present:

**Members:**
- Susan Alt, MSU Bozeman
- Gary Amundson, MSU Billings
- Mary Kay Bonilla, MSU COT Great Falls
- Ron Brekke, MSU Bozeman
- Susan Briggs, UM Western
- Kathy Crego, UM Missoula Union Retiree
- Rob Gannon, UM Missoula
- Sara Glasgow, UM Western
- Steve Gross, IUOE Union
- Terri Gruba, UM Missoula
- Jim Handley, Montana Tech
- Ken Hapner, MSU Bozeman
- Kathy Jaynes, MSU Northern
- Mike Kupilik, UM Missoula Union
- Mary Alice McMurray, Carpenter’s Union
- Kevin McRae, Office of Commissioner of Higher Ed
- Quint Nyman, MPEA Union
- Maggie Peterson, Montana Tech
- Kim Rickard, Laborers Union
- Janet Simon, MSU Billings
- Jane Stuart, MSU Northern
- Warren Tolley, Flathead Valley Community College
- Doug Young, MSU Bozeman

**Guests:**
- Mary Lachenbruch, OCHE Benefits
- Sherri Rickman, State Healthcare & Benefits
- Cindy Millard, OCHE Benefits
- Chelsi Dupler, OCHE Benefits
- Kelly Grebinsky, Actuaries NW, Inc
- Jim Dole, Delta Dental
- Rita Garland, UM Missoula
- Marta York, Allegiance
- Kim Browne, Allegiance
- Don Creveling, MAHCP
- Kelly Langer, FlexConnect
- Mary Kleschen, UM Missoula
- Joanne Oudshoorn, MUS Bozeman
- Cindy Kwasney, Blue Cross/Blue Shield
- Sue Schmitt, OCHE Retiree
- Barbara Wheeler, MSU Billings
- Jill Young, UM Missoula

III. **Approval of minutes from last meeting**
- Susan Briggs, Chairperson, brought forth approval of minutes from the December 2, 2010 and September 30-October 1, 2010 meetings. A motion for approval of the December 2, 2010 minutes was brought forth by Mr. Young with Mr. Brekke seconded. There were no changes made and the minutes were approved by all. The motion for approval of the September 30-October 1, 2010 minutes was brought forth by Mr. Brekke with Ms. Stuart seconded. There were no changes made and the minutes were approved by all.

IV. **Chair Remarks – Susan Briggs**
- Chairperson Briggs stated there was a large amount of work done prior to this meeting by committee members that was absolutely phenomenal. Ms. Briggs thanked all who served on those committees along with Ms. Welsh, Mr. Grebinsky and the benefits staff.
- Chairperson reminded the committee of their purpose and goals. Ms. Briggs stated the Committees will be coming forth with structures and rating process. The approvals of the IUBC Committee today are to allow the rates to be set and the final approval will be once that process is finalized.
Director’s Report - Connie Welsh

The Director stated that she is looking for confirmation on recommendations in order for Kelly and her to move forward with the rate process. Ms. Welsh and Mr. Grebinsky will bring the rate recommendations to the next IUBC meeting in February.

Ms. Briggs: The IUBC Committee will be looking at different numbers in February from what will be viewed today.

Consultant Report – Kelly Grebinsky, Actuaries, NW, Inc.

- The numbers the Committee will be viewing are different due to reports received in November. Expect to finalize more work for the next IUBC meeting.

Committee Reports:

Administrative Subcommittee - Rob Gannon
- The committee has not met since the last IUBC meeting.

Wellness Sub Committee – Mary Kay Bonilla
- The Wellness committee has met several times. There will be motions brought forth for the Wellness budget.

Ms Briggs: Go ahead with the motions.

Mary Kay:
✓ I would motion to approve the Wellness budget at $671,500 for fiscal year 2012. Ms. Rickard seconded the motion.

Discussion

Ms. Bonilla: When the committee looked at the budget, we looked at where the dollars were best spent and the figures were based off those numbers.
Mr. Young: Stated in an earlier discussion that the committee was not adopting the recommended budget at this time. Mr. Young would like clarification.
Ms. Briggs: Can we go ahead with the motion and amend the motion?
Ms. Bonilla: Open to an amendment.
Mr. Kupilik: Doug asked for clarification on the motion of direction to have administration follow. The motion does not adopt it.
Ms. Briggs: Correct. Can we do a friendly amendment?
Ms. Bonilla: Ok.
Ms. Briggs: Can I get a friendly amendment motion?
Mr. Kupilik: I move on the word this motion indicates the direction the administration is to follow.
Mr. Nyman: A transition period while the committee explores other options. Ms. Alt seconded the motion.
Ms. Briggs: The committee will vote on the amendment first. Any motion on One year transition year between current year model and integrated model. The committee does not want to adopt the budget. They need time.
Ms. Peterson: We are just voting on the language.
Ms. Welsh: Need clarification. Is the transition just plan or funding issue?

Vote: All in favor, no opposed, motion passed.

Ms. Briggs: A full motion vote to accept the budget by the Wellness Committee.
Ms. Bonilla: A reread of the motion – the Wellness Subcommittee budget recommendation of
$671,500 for FY12 be approved.

Ms. Briggs: Any further discussion?

**Vote:** All in favor, Mr. Handley opposed, motion passed.

**Retiree Task Force – Ken Hapner**
- The committee met on January 24, 30 hours ago. The committee will review recommendations on the February 11 committee meeting.
- The Committee will support whatever the best interest of retired members (Medicare)
- The Committee had a phone discussion with AON regarding options for medicare retirees on the plan whether to move to fully insured product which is comparable to MAPP. Discussed bids from companies in which only Monumental Life Insurance is a viable candidate. The nature of bids, reliability of Monumental Life Insurance, third party administrator, etc.
- The Committee had preliminary discussion of medicare supplement plan. No conclusions were reached regarding the value of the offering.
- The consensus on: URx, Monumental Life Insurance, GASB is non-issued with F/L 100%, FL ratio 175%, and 100% is not objectionable, recommendation concerning modifying medicare retiree coverage, rationally and analytically determine value of medicare supplement. The Committee will meet again on February 11 to make recommendation. No rush, not a done deal. Inform retirees if new rates are compatible, we can stay where we are and consider again in 2012.

**Compliance Task Force- Susan Briggs**
- The committee has not met.

**Appeals Committee- Jim Handley**
- The committee has not met.

**Plan Change Committee - Kevin McRae**
- The committee has met twice since the last IUBC meeting. The work of the committee is evident in the documents being presented today. Mr. McRae requested preference of order for motions to be made to Ms. Welsh and Mr. Grebinsky.

- **Retiree Subsidy** – On behalf of the Plan Change committee, I move that we set the loss ratio at 175% pre-65 for retirees and 100% for medicare retirees. Ms. Peterson seconded the motion.

**Discussion**
Kevin: The committee discussed throughout the meeting and seems like a sound recommendation.

**Vote:** All in favor, no opposed, motion passed.

- **Dependent Premium Waiver** – I move we discontinue the Dependent Premium Waiver at the close of FY10 and set aside $200,000 for hardship funds for plan members as needed with guidelines for the next plan year to be developed. The motion is seconded by Mr. Tolley.

**Discussion**
Mr. Young: Amend the words to the motion to insert words “maximum of $200,000.” Mr. Gannon seconded the motion.
Mr. Hapner: Need clarification.
Mr. McRae: The $200,000 is on the high end and that should accommodate all scenarios.
Mr. Nyman: Requested Ms. Welsh speak on the process of the Dependent Premium Waiver communication to the plan members.
Ms. Welsh: Department of Public Health and Human Services has been waiting for approval to get out information to members. In addition, we have a letter set to go out upon the blessing from this committee. We have a process of employees deemed eligible for Montana...
Healthy Kids. The transition process will be up to June 30.

Mr. Nyman: Will the communication for Healthy Montana Kids relate it is a better deal for our members?

Ms. Welsh: Yes. There will be scenarios given for comparison.

Vote: All in favor, Mr. Gannon opposed, motion passed.

✓ Reserve Target Levels – I motion there be no explicit contribution to reserves. The only planned reduction allowable would be the $200,000 for the Hardship Fund. Ms. Gannon seconded the motion.

Discussion
Ms. Welsh: Clarifying the motion for the IUBC members.

Vote: All in favor, no opposed, motion passed.

✓ Benefit Design Change Subsidy, Option b – Mr. Young moved that Subsidy option b be approved for rate setting. Ms. Rickard seconded the motion.

Vote: All in favor, Ms. Bonilla and Ms. Crego opposed, motion passed.

✓ Benefit Design Change Large Benefit, Option 1– Mr. Young moved that Large Benefit, Option 1 be approved for rate setting. Ms. Alt seconded the motion.

Discussion
Ms. Welsh: Clarified the motion includes changes in deductibles, maximums, and incorporating the traditional plans to one traditional plan.

Mr. Nyman: I understand the need to adjust the plan; pain up front but with too many uncertainties for the members, it makes it difficult to support without knowing what the pieces are.

Ms. Welsh: Asked the committee if they were comfortable with the different pieces shown. If not, she could put them up again for review.

Ms. Briggs: Stated that should be done.

Mr. Grebinsky: The options are in the handouts that everyone was given.

Ms. Bonilla: Addressed Ms. Welsh on the purpose of this option was that it gets the plan further down the road quicker. When this option was discussed in Plan Change, it was stated it lessens the impact next year. Ms. Bonilla stated this is necessary to take this step so our plan is healthy.

Mr. McRae: There is never a great time when all the information comes to us at the same time. What we have done here aims towards every plan member to keep costs affordable. Once we start making cuts, it’s hard to win back and approve over time. With all the questions on Option 1, don’t hear any alternatives from anyone.

Ms. Peterson: Clarifying that what we are proposing is between this and covering 11 million.

Mr. Tolley: Basically, accept same coverage now with more money or pay less and less coverage or the middle.

Ms. Stuart: Explained she is getting more and more confused. Ms. Stuart requested clarification whether the committee was looking at the large benefit reduction or intermediate reduction.

Ms. Welsh: In terms of looking at all plan pays – cost share. The cost share between the plan members and the plan. Also, member behavior. Close gap - close trend of behavior.

Ms. Jaynes: Don’t actually know two years down the road so I think this is the best option to go.

Ms. Glasgow: Would like to echo comments earlier and constituents responsibility – difficult to decouple it – steerage towards managed care impacts smaller rural areas.

Ms. Briggs: Role call vote.
Vote: 13 yes, 10 no, motion passed.

Discussion
Mr. McRae: Concerned about the split vote.
Ms. Briggs: We have not voted on the rates.
Mr. Kupilik: I voted no but accept the will of the majority.
Mr. Gannon: I voted no because I believe the cost was shifted to the employees.
Ms. Crego: On options, committee felt there was no other choice. Ms. Crego stated members caved in instead of being proactive to the political decisions around them.
Ms. Welsh: The committee needs to select a default. In Plan Change, managed care was selected.
Ms. Briggs: We need a motion from Plan Change.
Mr. Gannon: We can make that at the next IUBC meeting.
Ms. Briggs: Agreed.

End of the committee reports.

V. Business Reports

Old Business-
- No old business.

New Business-
- Motions from Wellness and Plan Change committees.

VI. Adjournment
- The next IUBC meeting will be held on February 24, 2011 following Helena. Mr. Handley motioned to adjourn, Mr. Kupilik seconded.

All in favor, meeting adjourned.

Minutes submitted by: Carol Franco