

Washington County Benefits Committee
November 15, 2011

CONVENED: 1pm

COMMITTEE MEMBERS:

Present: David Ainslie, David Bellwood, Mike Brunner, Karen Crawford, Angi Duyck, Susan Field, Amanda Garcia-Snell, Valerie McCraw, Judy Walker

HUMAN RESOURCES STAFF:

Brandi Johnston, HR Analyst
Stephanie Reitmajer, HR Manager
Kiel Siopongco, HR staff

CONSULTANTS:

Scott Schiele, Mercer
Diane Miner, Providence
Rebecca Sweatman, Providence
Dr. James Mackay, Providence

1. DEFERRED COMPENSATION PLAN (457)

- Scott Schiele from Mercer was introduced to provide a framework of process Washington County's deferred compensation plans will be going through in the future.
 - The deferred compensation plans will eventually be going through a Request for Proposal (RFP) process.
 - Washington County is not the only jurisdiction considering reviewing deferred compensation plan and plan investment offerings; other agencies are also doing this very important work.
 - Changes in regulations have made this increasingly important for employers to review; employers are required to prove that they have reviewed their plans, and insure that they are negotiating plan features for the sole benefit of employees.
 - The County will need to go through the RFP process.
- The RFP looks something like this:
 - Potential vendors put forth proposed fee schedules, investment menus and executive summaries to the Committee.
 - Typically 3 vendors are invited to present the Committee.
 - References are provided.
- Currently the County has multiple vendors for the 457 plan
 - The goal of an RFP could be to consolidate to 1 vendor.
 - Consolidating all assets allows more purchasing power as a plan.
 - 1 vendor eases financial investment decision-making for new employees

- Plan costs and fund expenses can be evaluated within the plan (internal plan level fees as well as those the participant pays)
- It is the County’s responsibility to evaluate costs; and keep fees down.
- A transition to vendors or new funds generally starts with an evaluation of current investment options. Typically the transition looks like this:
 - Good fund options might be retained, as there is no reason to change them.
 - Consultants that help with deferred compensation transitions will be able to help put together a sample menu to select from, with no more than 20 fund choices.
 - The transition will bring over the funds from any old providers, re-registered with the new plan provider.
 - If the transition requires changing of funds for any given member, the old funds would be mapped to the new vendors “equivalent” option.
 - Participants would be notified of the upcoming change and would have an option to re-invest in a fund of their choice; if no choice is made, the current fund choices would default to mapped option.
- The County is obligated to offer a deferred compensation plan that provides the best options at the best prices for participants. The County’s plan has grown significantly over the past 7 years, and the amount of funds invested has also increased.
 - However, the services provided by our administrators have not changed/increased to meet growing demands.
 - These are services we can negotiate during an RFP to improve administration for members.

2. PROVIDENCE ANNUAL REPORT [handout]

- Providence presented aggregated annual experience for the Washington County group plan.
- The group asked what could be the best focus for a wellness program based on our claims data:
 - Musculoskeletal claims are the highest in cost and prevalence at Washington County.
 - Causes can be linked to obesity; and can be combated with nutrition/exercise education and participation
 - Providence promoted it’s nurse advice line and offered it as a resource for emergency situations.
 - Potential education initiatives based on population and resulting claims/diagnoses. Highlighted items might include:
 - Congestive heart failure
 - Chronic Obstructive Pulmonary Disease (COPD)
 - Mental health/depression
 - Ear infection—attempting to reduce antibiotic usage
 - Pharmacy and prescription education: generic vs. brand vs. specialty
- The Northwest region sees a very high proportion of the nationwide number of back surgeries.
 - Providence evidence suggests surgery should be a last resort for back pain. Often surgery is a very costly solution that does not improve chronic pain.

- Education efforts around back pain could include non-surgical remedies/solutions.

3. ACTION ITEMS FOR NEXT MEETING-n/a

- 4. NEXT MEETING**, Next regularly scheduled meeting is: **Tuesday, January 17, 2012, 1pm** No December meeting; Happy Holidays!

5. COMMENTS

- “Will we need to go through the RFP process for deferred compensation annually to stay competitive?”
 - Vendors are able to offer better prices the longer the contract terms.
 - 3 year contracts are standard in the industry; with 1 year rider to complete next RFP process.