

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST
MEETING MINUTES
January 25, 2018**

The following consultants/vendors were present:

Nura Patani	Segal
Amy Girardo	Segal
Anna Bell	Segal Select (telephonic)
Mark Dabrow	Segal Select (telephonic)
Aaron Genaro	Ashton Tiffany
Sarah Virgil	Ashton Tiffany
Marianne Heiderscheidt	Vera Whole Health
Lindsey Gregerson	Vera Whole Health (telephonic)

The following Trustees were present, and a quorum was met:

Mike Townsend (chairperson)	Coconino County
Jami Van Ess	Coconino County Community College
Bob Kuhn	Flagstaff Unified School District
Shane Dille	City of Flagstaff

The following Alternate Trustees were present:

Margaret Penado	Coconino County
Shannon Anderson	City of Flagstaff
Rosa Mendoza-Logan	Coconino County Community College
Jennifer Moore	Flagstaff Unified School District

The following guests were present:

Amber Baker	Coconino County
Jenna Geissler	Coconino County
Erika Philpot	Coconino County
Dietrich Sauer	Coconino County Community College
Jeanie Confer	Coconino County Accommodation School District
Jennifer Caputo	City of Flagstaff
Dean Coughenour	City of Flagstaff
Ginger Wischmann	Flagstaff Unified School District
Lynn Hill	NAIPTA
Laurie Battice	NAIPTA

1. CALL TO ORDER

9:04 a.m.

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2. APPROVAL OF AGENDA

Unanimous approval of agenda items by the Trustees

3. APPROVAL OF MINUTES December 14, 2017

Shane Dille motion, Bob Kuhn second, motion approved

4. ACTION ITEMS

- | | |
|---|---|
| A. Discussion and possible board action on Vera onsite clinic, including an update on the physical therapy program | Lindsey Gregerson
Marianne Heiderscheidt |
|---|---|

Ms. Gregerson provided an overview of the monthly report, highlighting an update refresh in the way the data is presented.

Ms. Heiderscheidt advised that there has been a continued increase in the waiting list for acute care appointments that is likely attributable to the cold and flu season.

Ms. Heiderscheidt stated that on a scale of 1–5, with 1 being “poor” and 5 being “excellent,” patient satisfaction is holding steady at 4.8; appointment satisfaction decreased slightly to 4.2; and provider satisfaction is a consistent 4.9.

Ms. Heiderscheidt advised that a new provider has been hired and will begin work in two weeks.

Ms. Heiderscheidt provided an overview of the “no show” policy, including charges to be assessed in certain situations.

Ms. Gregerson recommended that the board adopt the no show policy as presented, and that the policy become effective on May 16. She also provided an overview of the plan to communicate the policy to participants.

Ms. Philpot requested that the policy effective date be changed from mid-May to May 1. The board agreed to change the date to May 1.

Bob Kuhn motion, Shane Dille second, motion approved

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**B. Discussion and possible board action on
monthly medical/pharmacy report**

Nura Patani

Ms. Patani presented an overview of NAPEBT's claims, expenses, and contributions for the period ending November 30, 2017. Key observations from the report included the following:

- The total loss ratio was 102.5 percent for the current plan year through November.
- Claims and expenses (reduced for stop loss reimbursements and pharmacy rebates) exceeded contributions by approximately \$46,000, or 1.9 percent of contributions for the month of November.
- The plan's rolling net medical trend was 4.8 percent, and the plan's rolling net pharmacy trend was -9.7 percent.
- There are six claimants with incurred claims in excess of the \$150,000 reporting threshold during the plan year to date. These claimants have combined claims of \$1,155,553, which represents 12.1 percent of paid claims.
- Wellness incentive payouts through November totaled approximately \$291,000.
- Through November, total enrollment decreased 1 percent over the prior plan year average, with enrollment by plan as follows:
 - ◆ 15.6 percent of all active employees and retirees were enrolled in the buy-up plan;
 - ◆ 64.1 percent were enrolled in the base plan; and
 - ◆ 20.3 percent were enrolled in the high deductible health plan.

Ms. Patani advised that the healthier population is gravitating toward the high deductible health plan because of the lower premium. The sicker population continues to seek shelter in the lower deductible plans, which have higher premiums.

Mr. Kuhn asked if Segal could examine the data on retirees who live outside of Flagstaff with no access to Vera. Ms. Patani stated that she will look at the data.

No action was taken.

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- C. Discussion and possible board action on Administrative Manual Subcommittee regarding mandatory individual employee enrollment for dual situations** **Shannon Anderson
Margaret Penado**

Ms. Penado recommended that the administrative manual be updated to allow a reduction in hours be a reason to waive coverage.

Ms. Penado indicated that she would send the suggested modifications to Mr. Dille for review by the Benefit Trust Committee. Once the review is complete, Ashton Tiffany will update the administrative manual and request board approval at an upcoming meeting.

No action was taken.

- D. Discussion and update on the FYE2017 financial audit** **Mike Townsend**

Mr. Townsend advised that the final report was received by the Arizona Department of Insurance, and was sent to all Trustees.

Mr. Townsend stated that Clifton Larson Allen has been engaged to review the report as previously approved by the Trustees at the September 21, 2017 board meeting.

No action was taken.

- E. Discussion and possible board action on the fidelity bond** **Amy Girardo
Anna Bell**

Ms. Girardo advised that the fidelity bond was sent to bid.

Ms. Bell presented the renewal options between Zurich (the incumbent carrier) and Chubb. Ms. Bell recommended that the trust renew with Zurich based on the enhanced coverage being offered.

Ms. Bell stated that she will provide updated bond premiums, accounting for the inclusion of wellness employees.

The bond approval will include the additional coverage of wellness employees upon confirmation by the Board Chair.

Unanimous Trustee approval of renewal with Zurich

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F. Discussion and update on the SHAPE program **Nura Patani**

Ms. Patani provided an update on the follow-up items from the previous board meeting. These included:

- pulling wellness/biometric data for review;
- specifying the distinction between admissions and readmissions, and “planned” vs. “unplanned” visits;
- reviewing emergency room utilization;
- reviewing vision data; and
- reviewing compliance rates.

Ms. Patani advised that she is working with Ms. Wittekind on the wellness data and Ms. Wittekind will provide a report at the February meeting during the annual wellness review. Ms. Patani also stated that she is working with Vera to gather the prescription drug data for inclusion in the next SHAPE report. Finally, she stated that she will check on whether or not VSP will provide the procedure codes for services that were not previously provided and what the reasoning is if they cannot be provided.

No action was taken.

G. Discussion and possible board action on **Nura Patani**
2018/2019 contribution rate-setting, plan design, **Amy Girardo**
reserves, hearing aids, and alternative medicine

Ms. Girardo presented the carrier renewals. She stated that the stop loss renewal for Blue Cross Blue Shield is still being negotiated. She noted that the proposed increase is 17.7 percent for specific stop loss, and 2.4 percent for aggregate stop loss. She advised that the stop loss renewal would not impact the drawdown in reserves, but would delay the break-even point by one year (from 2022 to 2023).

Mr. Townsend provided an update on the reserve policy. He stated that the Finance Committee provided an estimated reserve target or minimum guidelines as part of the projection.

Ms. Van Ess advised that the primary goal is to stabilize increases for future years.

Ms. Girardo presented an update on the alternative medicine benefit. She stated that the Segal and Blue Cross Blue Shield attorneys have had conversations around this

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potential benefit offering and have not reached a final agreement. She advised that she is hopeful a determination will be made in the next month or so.

Ms. Girardo presented an update on the hearing aid benefit and the parameters of coverage, including a follow-up to questions the Trustees had from the December meeting.

There was board discussion on varying amounts of coverage and details related to the benefit offering.

Ms. Girardo stated that she would check with VSP to determine if there is a *True Hearing* provider list.

Mr. Townsend recommended that the projection be approved as presented.

Mr. Dille motion, Ms. Van Ess second, motion approved

H. Discussion and possible board approval of Trust renewals **Amy Girardo**

Ms. Girardo presented an overview of the Trust renewals. She stated that some benefits and rate changes are still in negotiation, including the medical renewal—specifically, stop loss with Blue Cross Blue Shield. She advised that the life renewal has not been received, and that the dental renewal is still being negotiated.

Ms. Van Ess and Mr. Kuhn requested that Ms. Girardo provide dental plan base and buy-up plans for CCC and FUSD, as well as two- and three-tier options for CCC.

No action was taken.

I. Discussion and possible board action on Ashton Tiffany evaluation **Mike Townsend**

Mr. Townsend stated that he and Ms. Wittekind are working on this item. It will be addressed at the next meeting.

No action was taken.

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J. Discussion and update on the conflict of interest statements for signature by the Trustees **Amy Girardo**

Ms. Girardo provided conflict of interest statements to be signed and returned by each Trustee.

No action was taken.

K. Discussion and update on compliance and industry changes, including trends report **Amy Girardo**

Ms. Girardo provided an overview of the compliance update, highlighting pharmacy trends; additional time to issue health coverage forms; an increase in organizations offering telemedicine; and a 3 percent average increase in premium rates nationally according to Kaiser Family Foundation and the Health Research and Education Trust 2017 Employer Health Benefits findings report.

No action was taken.

L. Discussion and possible board action on 2018/2019 meeting project plan **Aaron Genaro**

Mr. Genaro presented the project plan and made modifications as discussed by the board.

No action was taken.

M. Review of action items and timeline **Sarah Virgil**

Ms. Gregerson will draft the nearsite clinic “no show” policy and move the implementation of the policy to May 1.

Ms. Patani will provide aggregate claims data on retirees who live outside of Flagstaff with no access to Vera.

Ms. Patani will check on whether or not VSP will provide the procedure codes for services that were not previously provided and what the reasoning is if they cannot be provided.

If available, Ms. Girardo will provide an update on the alternative medicine benefit at the next board meeting.

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Ms. Girardo will update the hearing aid benefit based on the decisions made during the January board meeting and bring it back to the February board meeting.

Ms. Girardo will provide a *True Hearing* provider list to each of the entities.

Ms. Penado will send suggested language on the administrative manual to Mr. Dille for the Benefit Trust Committee to review.

Mr. Genaro will update the administrative manual for board approval with the suggested language from the Benefit Trust Committee.

Ms. Girardo will provide an update on medical stop loss, dental and life insurance rates at the next board meeting.

Ms. Girardo will provide dental base and buy-up plans for CCC and FUSD, as well as two- and three-tier options for CCC.

Ms. Bell will provide updated premiums for the fidelity bond including the wellness employees.

Mr. Genaro will update the project plan to include the Ashton Tiffany evaluation at the next board meeting.

Ms. Girardo will provide a telemedicine update at the next board meeting.

5. CURRENT EVENT SUMMARIES/ANNOUNCEMENTS: None

6. NEXT REGULAR MEETING: February 22, 2018

7. ADJOURNMENT: 1:43 p.m.