

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST
MEETING MINUTES
February 22, 2018**

The following consultants/vendors were present:

Amy Girardo	Segal
Nura Patani	Segal (telephonic)
David Searles	Segal (telephonic)
Aaron Genaro	Ashton Tiffany
Sarah Virgil	Ashton Tiffany
Marianne Heiderscheidt	Vera Whole Health
Lindsey Gregerson	Vera Whole Health (telephonic)
Julie Almond	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:

Katie Wittekind	Coconino County (Wellness)
Amber Baker	Coconino County (Wellness)
Jenna Geissler	Coconino County (Wellness)
Erika Philpot	Coconino County
Dietrich Sauer	Coconino County Community College
Jeanie Confer	Coconino County Accommodation School District
Jennifer Caputo	City of Flagstaff
Ginger Wischmann	Flagstaff Unified School District
Scott Walmer	Flagstaff Unified School District
Lynn Hill	NAIPTA

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appointment satisfaction decreased slightly to 4.0; and provider satisfaction decreased slightly to 4.6.

Ms. Heiderscheidt provided an overview of areas for improvement.

Ms. Heiderscheidt stated that a new practitioner will begin on March 12, to fill the position vacated in December.

Ms. Heiderscheidt asked the board for feedback on prioritization of appointments between physical therapy and workers' compensation. She stated that physical therapy would be greatly impacted if workers' compensation became the priority.

Mr. Townsend stated that he would like to prioritize workers' compensation appointments because they provide a more positive impact for each agency.

Ms. Heiderscheidt advised that the providers may begin to refer out physical therapy patients if workers' compensation becomes a priority.

The board agreed that workers' compensation appointments should be the priority.

Ms. Gregerson noted that Vera has become the first direct-to-employer onsite clinic in the U.S. to receive the Certificate of Validation by the Care Innovations™ Validation Institute.

Ms. Anderson shared feedback from the Employee Advisory Committee regarding the clinic, including comments on why the "no-show" policy has no exceptions, and why providers have left.

Ms. Gregerson and Ms. Heiderscheidt stated that there are a number of reasons providers have left, including personal reasons and hours scheduled to work. Regarding the latter, providers outside of Vera typically work four 10-hour days. Vera providers typically work five days and extended hours.

Mr. Townsend mentioned that employees like the extended hours.

The board discussed possible incentives for scheduling appointments during certain times and seasons to alleviate demand during some of the busier times.

No action was taken.

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**D. Discussion and possible board action on
interim financial statements**

Lori Jundt

Ms. Jundt reminded the board that financial statements would be presented on a quarterly basis at the board meetings, and that monthly information would still be available upon request.

Ms. Jundt presented the financial report for the period ending December 31, 2017. She advised the following:

- Total assets as of December 31, 2017 were \$9,676,415.
- Cash and cash equivalents were \$8,825,161.
- Total liabilities were \$4,403,585.
- Claims payable were \$1,503,182.
- Reserve for IBNR losses remained unchanged at \$1,457,000.
- Net assets as of December 31, 2017 were \$5,272,830.
- The year-to-date deficit of contributions over expenses was \$408,644.

No action was taken.

**E. Discussion and possible board action on
review of annual wellness program**

**Katie Wittekind
Amber Baker
David Searles**

Ms. Wittekind introduced Ms. Baker and Mr. Searles to assist in providing information related to the wellness program report.

Ms. Baker presented an overview of the wellness incentive program, including duties and accomplishments related to program management, program implementation, and vendor management.

Ms. Baker asked each agency to share with the board its specific experience in participating in the wellness program.

Ms. Wittekind and Mr. Searles presented the wellness baseline summary, which depicted data to show a baseline for future comparison to measure the impact of the wellness initiative.

Mr. Searles provided data on the level of participation, the risk score for each agency, medical allowed claims PMPM, pharmacy allowed claims PMPM, and total allowed claims PMPM.

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Mr. Searles provided clarification on the risk scores and risk adjustments.

Ms. Wittekind provided data on emergency room visits, inpatient admissions, and preventive screenings for wellness participants.

Ms. Wittekind advised that a good mix of healthy and non-healthy people are participating in the wellness program.

Mr. Townsend stated that the data presented need to be reviewed over time in order to determine the ROI, and that the costs should continue to decrease as more employees are engaged.

Ms. Baker shared some accomplishments over the past year, including the wellness mobile app that is currently in development and is expected to be released in the next couple of months.

Ms. Wittekind presented award recognitions and items currently in progress. She stated that she is in the process of meeting with each agency to collect feedback on program recommendations.

No action was taken.

**F. Discussion and possible board action on
Securian life report**

Amy Girardo

Ms. Girardo presented the life insurance policy report, including coverage limits, earned premium, incurred claims (paid claims plus interest), incurred loss ratio, breakdown by type of coverage (i.e., active, retiree, voluntary, spouse, child), and summary of incurred claims.

No action was taken.

**G. 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 December 31, 2017. Key observations from the report included the following:

- The total loss ratio was 102.1 percent for the current plan year through December.

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- Claims and expenses (reduced for stop loss reimbursements and pharmacy rebates) exceeded contributions by approximately \$5,000, or 0.2 percent of contributions for the month of December.
- Through December, total enrollment decreased 0.6 percent over the prior plan year average, with enrollment by plan as follows:
 - ◆ 15.5 percent of all active employees and retirees were enrolled in the buy-up plan;
 - ◆ 64.0 percent were enrolled in the base plan; and
 - ◆ 20.5 percent were enrolled in the high deductible health plan.
- There are seven claimants with incurred claims in excess of the \$150,000 reporting threshold during the plan year to date. These claimants have combined claims of \$1,450,476, which represents 12.8 percent of paid claims.
- The plan's rolling net medical trend was 3.0 percent, and the plan's rolling net pharmacy trend was -8.8 percent.
- Wellness incentive payouts through December totaled approximately \$362,000.

Ms. Patani advised that there has been significant movement over the last year from the buy-up plan to the high deductible health plan.

Ms. Patani provided an update on a follow-up item from the previous board meeting regarding data on retirees who live outside of Flagstaff with no access to Vera. She stated that the data had to be isolated by zip code, which essentially encompasses the "Flagstaff area."

Ms. Patani presented a chart that represented annual retiree claims from BCBS and CVS for calendar years 2015, 2016, and 2017.

Ms. Van Ess requested data on the total number of retirees represented in the chart inside and outside the Flagstaff area. Ms. Patani stated that the average number of retirees for 2017 was 65 (outside) and 229 (inside). The breakdown for 2016 and 2015 could not be provided during the meeting. Ms. Patani advised, however, that the total number of retirees for 2015 and 2016 was 319 and 305, respectively.

Ms. Patani stated that the number of claims outside of the Flagstaff area is increasing at a faster rate than inside.

Mr. Sauer asked what type of claims (in-network vs. out-of-network) are coming from retirees living outside of the Flagstaff area. Ms. Girardo stated that she will review the data and follow up at the next meeting.

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No action was taken.

H. Discussion and possible board action on coverage for hearing aids, alternative medicine, and telemedicine **Amy Girardo**

Ms. Girardo provided an update on the alternative medicine benefit. She stated that there is still no new information from the attorneys at BCBS as to whether a naturopath/homeopath would be considered as a primary provider. Ms. Girardo advised that she is hesitant to implement the benefit without receiving confirmation from BCBS on the matter. She stated that acupuncture could be set up as a separate benefit.

Ms. Anderson asked if it would be possible to state that the effective date is July 1, 2018, but then phase in the benefit if and when BCBS responds. Ms. Girardo stated that she will research this approach and provide an update on alternative medicine coverage at the March board meeting.

Ms. Girardo provided an update on the telemedicine benefit including a comparison between Vera and BCBS (AmWell). She provided some costs for various consultation services and advised that there hasn't been a significant uptick in telehealth usage.

Mr. Dille asked if Ms. Girardo had a recommendation for the board to consider.

Mr. Townsend stated that he would like the board to discuss this item further in executive session.

Ms. Girardo provided an update on the hearing aid benefit, stating that the coverage can be administered based on the recommendations and discussion from the board during the January meeting.

No action was taken on item H.

Mr. Townsend recommended that the board move to enter executive session at this time.

Shane Dille motion, Bob Kuhn second, motion approved at 11:38 a.m.

Regular meeting action items discussion reconvened at 12:46 p.m.

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

Ms. Girardo presented an overview of the Trust renewals by carrier and coverage.

Mr. Townsend requested that a motion be made to approve all renewals for all agencies, including a separate dental renewal specifically for Coconino Community College and Flagstaff Unified School District. He also requested that the motion include binding life insurance if no increase is brought back to the March board meeting.

Bob Kuhn motion, Jami Van Ess second, motion approved

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

Mr. Townsend presented the Ashton Tiffany evaluation results.

Mr. Townsend asked the board for approval to renew Ashton Tiffany's contract for one year and requested that he work directly with Ashton Tiffany to execute the agreement.

Jami Van Ess motion, Shane Dille second, motion approved

K. Discussion and possible board action on Segal evaluation and contract **Mike Townsend**

Mr. Townsend advised that this item will be discussed at the March board meeting.

No action was taken.

L. Discussion and update on compliance and industry changes **Amy Girardo**

Ms. Girardo provided an overview of compliance issues, highlighting the following:

- the new tax law signed at the end of last year eliminating the individual shared responsibility penalty, effective in 2019;
- changes made to retirement plans and fringe benefits;
- the new employer tax credit for FMLA;
- the continuing resolution (CR) signed by President Trump to reopen the government;

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- the delay in implementing the “Cadillac tax” until 2022;
- the suspension of health insurance premium taxes until 2019; and
- the suspension of the medical devices tax until 2019.

No action was taken.

**M. Discussion and possible board action on
2018/2019 meeting project plan**

Aaron Genaro

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

No action was taken.

N. Review of action items and timeline

Sarah Virgil

Ms. Virgil reviewed the list of action items, which included the following:

- Ms. Girardo will review the type of claim (in-network vs. out-of-network) for retirees living outside of the Flagstaff area.
- Ms. Girardo will provide an update on alternative medicine coverage at the March board meeting and will research the possibility of allowing a set benefit dollar amount.
- Ms. Girardo will inform the board if Securian Life rates increase.
- Mr. Townsend will reintroduce discussion of the Segal evaluation at the March board meeting.
- Mr. Genaro will update March’s board meeting date in the project plan.

6. CURRENT EVENT SUMMARIES/ANNOUNCEMENTS: None

7. NEXT REGULAR MEETING: March 29, 2018

8. ADJOURNMENT: 1:02 p.m.