



**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
March 29, 2018**

**3. APPROVAL OF MINUTES                      February 22, 2018**

**Jami Van Ess moved, Bob Kuhn seconded, motion approved**

**4. ACTION ITEMS**

**A. Discussion and possible board action on                      Nura Patani  
monthly medical/pharmacy report**

Ms. Patani presented an overview of NAPEBT's claims, expenses, and contributions for the period ending January 31, 2018. Key observations from the report included the following:

- The total loss ratio was 103.6 percent for the current plan year through January.
- Claims and expenses (reduced for stop loss reimbursements and pharmacy rebates) exceeded contributions by approximately \$295,000, or 12.6 percent of contributions for the month of January.
- Through January, total enrollment decreased 0.3 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;
  - 63.9 percent were enrolled in the base plan; and
  - 20.6 percent were enrolled in the high deductible health plan.
- There are nine claimants with incurred claims in excess of the \$150,000 reporting threshold during the plan year to date. These claimants have combined claims of \$2,028,794, which represents 15.1 percent of paid claims.
- The plan's rolling net medical trend was 4.9 percent, and the plan's rolling net pharmacy trend was -6.6 percent.
- Wellness incentive payouts through January totaled approximately \$394,000.

Ms. Patani advised that the buy-up plan continues to carry the highest loss ratio, with retiree claims alone coming in at 205.8 percent.

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 approximately 99 percent of retiree claims were in-network.

**No action was taken.**

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**B. Discussion and possible board action on Vera onsite clinic, including annual presentation and update on the physical therapy program**

**Marianne Heiderscheidt  
Julie Almond**

Ms. Almond provided an overview of the monthly report, highlighting employee engagement, new patients, first quarter appointments by type, total number of appointments by type, cumulative completions, and onsite prevention and group training.

Ms. Almond advised that first quarter appointments are up in almost every category in comparison to the prior year.

Mr. Kuhn provided positive feedback on how the training is preventing injuries.

Ms. Heiderscheidt advised that the waiting list for acute care appointments has increased due to the wellness incentive offering.

Ms. Heiderscheidt advised that appointment cancellations and no-show trends have increased slightly over the last quarter of 2017.

Ms. Almond presented the “no-show” policy that will go into effect May 1, and the satisfaction survey results for the first quarter of 2018.

Ms. Heiderscheidt stated that the new provider, Tangeca Wells, started on March 12.

**No action was taken.**

**C. Discussion and update on reserve policy recommendation by Finance Committee**

**Jami Van Ess**

Ms. Van Ess presented the reserve policy recommendations discussed by the Finance Committee. She stated that the committee has met several times to refine the policy.

Ms. Van Ess asked the Trustees for feedback on the recommendations. This feedback will be shared with the committee, and a final recommendation will be made at the April board meeting.

Ms. Van Ess stated that the primary goal was to stabilize premiums over the long term with specific written targets, including minimums and maximums.

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Mr. Coughenour stated that he agreed with the target percentages, and that there is a great need to have a reserve policy.

**No action was taken.**

**D. Discussion and possible board action on  
the alternative medicine benefits and  
hearing aids**

**Amy Girardo**

Ms. Girardo presented the benefit structure for alternative medicine, hearing aids, and acupuncture. She provided examples of how each benefit would be paid for the base and high deductible health plans.

Ms. Girardo advised that the alternative medicine providers would be treated the same as other primary care/specialist providers. She stated that there is currently no network for these alternative providers, but that Blue Cross Blue Shield is evaluating how such a network can be built.

Ms. Girardo advised that she made slight modifications to the benefit language for external hearing aids—*not* cochlear implants, which are covered under the medical plan.

Ms. Girardo advised that discussions with Segal's actuary determined that the cost impact of adding these benefits are immaterial.

Ms. Penado requested that "dry needling" be added as an exclusion under physical therapy for acupuncture. Ms. Girardo confirmed that she would add the exclusion.

Ms. Anderson requested that the same in-network and out-of-network provisions that apply to medical coverage be applied to alternative medicine and acupuncture in order to minimize any confusion among employees using the benefits. Each agency agreed with this request.

**The benefits were approved without dissent.**

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**E. Discussion and possible board action on the telemedicine benefit** **Amy Girardo**

Ms. Girardo presented an overview of the minor differences between the telemedicine benefit administered by Vera and BCBS, including the registration process for both programs.

Ms. Girardo asked that the trustees disregard the alternatives mentioned at the end of the report, as they are no longer being considered based on recent information received.

Mr. Coughenour asked who would be responsible for paying the consultation fees shown in the report. Ms. Girardo stated that Vera has confirmed that it would absorb the fees for purposes of focusing more on wellness and less on acute care.

Ms. Almond stated that a major benefit to Vera administering the telemedicine benefit is follow-up with the participant and integration with the clinic and wellness program.

There was a lengthy discussion on the registration process for both programs, focusing on key differences and ease of use from the participant's viewpoint.

Ms. Anderson suggested that the telemedicine program be administered by BCBS.

Mr. Kuhn suggested that the telemedicine program be administered by Vera. He stated that he believes the program would be used more and that participants would appreciate the follow-up.

Mr. Townsend stated that further discussion in executive session regarding Item I, discussion and possible board approval of the Vera contract, may help determine the direction.

Mr. Townsend stated that he believes the telemedicine benefit will be offered effective July 1, and that it will need to be determined whether it will be administered by Vera or BCBS.

Mr. Townsend stated that he will provide an update at the next board meeting on the telemedicine strategy to be discussed in executive session.

**No action was taken.**

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**F. Discussion and possible board action on cost reimbursements to agencies for Trust services** **Mike Townsend**

Mr. Townsend provided an overview of cost reimbursements to agencies for Trust services.

Ms. Anderson stated that the City of Flagstaff has incurred expenses related to advertising for RFPs. She also mentioned other possible reimbursable expenses, including traveling to meet with potential vendors.

Ms. Anderson requested an estimate of how many RFPs may be issued during the year, so that she can include those costs in her budget. She also requested clarification on the process for reimbursement.

Mr. Townsend stated that Trust expenses, e.g., ads, travel, etc., can be paid out of the Trust's budget.

Mr. Townsend recommended that the bylaws be reviewed and updated, if necessary, to clarify "indirect" and "direct" costs to agencies for Trust services. He stated that this will be added to the April meeting agenda.

**No action was taken.**

**G. Discussion and possible board action on EAP RFP results** **Bob Kuhn**

Mr. Kuhn advised that this is ongoing, and that an update will be provided at the April meeting.

**No action was taken.**

**H. Discussion and possible board action on the ALEX interactive advisor** **Margaret Penado**

Ms. Penado advised that Baker Tilly Vantagen, LLC, initially stated that the ALEX interactive advisor system could no longer be provided, but then said that it could be provided for an additional fee of \$25,000.

Ms. Penado recommended that the system be discontinued prior to enrollment this year so that employees will not be confused when they see the old rates.

Ms. Van Ess agreed that it should be discontinued.

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Ms. Stevens stated that the employees like it.

Mr. Townsend advised that the Trust does not have a system to replace ALEX. He questioned, therefore, whether the Trust should continue with the current system, or go without a system for a year, after which time a switch to a new system can be made.

Ms. Anderson mentioned that she is requesting a “best and final” next week for the enrollment system RFP, followed by a meeting on April 11 to evaluate the responses.

Ms. Anderson asked Ms. Stevens to contact Baker Tilly to get responses to requests for clarification.

Mr. Kuhn stated that he will schedule a conference call, if necessary, regarding a decision to move forward with ALEX advisor.

**No action was taken on Item H.**

Mr. Townsend recommended that the board move to enter executive session to discuss items I and J at this time.

**Bob Kuhn moved, Jami Van Ess seconded, motion approved at 11:40 a.m.**

Regular meeting action items discussion reconvened at 12:25 p.m.

- I. Discussion and possible board approval on the Vera contract** **Mike Townsend**

This item was discussed in executive session.

**No action was taken.**

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

This item was discussed in executive session.

**Bob Kuhn moved, Jami Van Ess seconded, motion approved**

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

Ms. Girardo provided a brief overview of compliance issues, highlighting: (1) the new HSA contribution limit for family coverage for 2018; and (2) an article discussing defined contribution plan services.

**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 slight modifications as discussed by the board.

Ms. Penado suggested that changes still need to be made to the administrative manual with regards to language referring to an employee's drop-in hours that is subject to continued eligibility in a stability period in the Affordable Care Act. The language in question pertains to declining coverage through NAPEBT and instead participate in their family members coverage.

Ms. Anderson advised that the Benefits Committee reviewed the language in the administrative manual and concluded that the issue in question is addressed in its current form.

**No action was taken.**

**M. Discussion and review of action items and timeline** **Sarah Virgil**

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

- The Finance Committee will present final reserve policy recommendations for approval at the April board meeting.
- Vera will provide details on the AmWell registration process.
- Once the board approves specific language, Mr. Genaro will update the bylaws with regard to direct and indirect board expenses.
- Mr. Townsend will provide an update at the April meeting on the telemedicine strategy discussed in executive session.
- Mr. Genaro will update the meeting project plan.
- Mr. Kuhn will provide an update at the April meeting on the EAP RFP, which will need to be approved.

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- Ms. Stevens will contact Baker Tilly for responses to requests for clarification on the ALEX advisor system.
- Mr. Kuhn will schedule a conference call, if necessary, with regard to moving forward with the ALEX advisor system.
- Ms. Anderson will work with Ms. Penado to clarify administrative manual language, if necessary.

**N. CURRENT EVENT SUMMARIES/ANNOUNCEMENTS: None**

**O. NEXT REGULAR MEETING: April 19, 2018**

**P. ADJOURNMENT: 12:36 p.m.**