

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
December 13, 2018**

**The following consultants/vendors were present:**

Amy Girardo	Segal
Nura Patani	Segal
Dahjit Johl	Segal (telephonic)
Aaron Genaro	Ashton Tiffany
Mallory Esquibel	Ashton Tiffany
Marianne Heiderscheidt	Vera Whole Health
Julie Almond	Vera Whole Health

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

Mike Townsend	Coconino County
Jami Van Ess	Coconino County Community College
Bob Kuhn	Flagstaff Unified School District

**The following Alternate Trustees were present:**

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

**The following guests were present:**

Erika Philpot	Coconino County
Amber Baker	Coconino County (Wellness)
Robert Sedillo	Coconino County Community College
Dietrich Sauer	Coconino County Community College
Jennifer Caputo	City of Flagstaff
Dean Coughenour	City of Flagstaff
Ginger Stevens	Flagstaff Unified School District
Jeanie Confer	Coconino County Accommodation School District

**1. CALL TO ORDER 9:07 a.m.**

**2. APPROVAL OF AGENDA**

Mr. Townsend made a request to move the Employee Assistance Program item to the top of the agenda and then discuss the Benefits item immediately following.

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

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
December 13, 2018**

Mr. Townsend requested that the board enter executive session to discuss the Employee Assistance Program (EAP) item. The time was 9:09 a.m.

The board reconvened at 9:43 a.m. and proposed that Mr. Sedillo work with another provider to contract for EAP services.

**Jami Van Ess moved, Mike Townsend seconded, motion approved**

**3. APPROVAL OF MINUTES                      November 14–15, 2018**

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

**4. ACTION ITEMS**

**A. Discussion and possible board action/approval on committee updates**

**a. Clinic Committee**

**Bob Kuhn**

**i. Vera update**

**Julie Almond**

Ms. Almond stated that she will focus on pending clinic decisions for her update and allow the board members to review the monthly report at their leisure.

Ms. Almond presented the decision items, including: (1) provider staffing, (2) occupational health services, (3) physical therapy, and (4) breathalyzer replacement.

Ms. Almond discussed current and proposed staffing changes and options for an additional increase in staffing, including the model of cost trend presented at the November retreat. She also presented the revised provider budget staffing caps based on a reduction in medical doctor hours.

The board held an in-depth discussion on the staffing budget and agreed on the revised provider budget staffing caps.

Ms. Almond asked for direction on occupational health services, and whether or not the board wants to make these services a priority. She also discussed services for workers' compensation, CDL, breathalyzer testing, and pre-employment testing.

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
December 13, 2018**

The board agreed on deprioritizing occupational health services in order to focus on wellness, acute care, and disease management, except for services for workers' compensation, CDL, and breathalyzer testing.

Ms. Almond asked for the board's direction on physical therapy services, including offering onsite preventive services to the entire Trust, rather than just Flagstaff Unified School District.

The board agreed to offer services to the entire Trust.

**No action was taken.**

**b. Finance Committee**

**Jami Van Ess**

Ms. Van Ess provided an update on Finance Committee activities, including capitalization policy progress, updated budget projections, development of a project plan for the committee, and the upcoming audit.

**No action was taken.**

**c. Benefits Committee**

**Shannon Anderson**

Ms. Anderson presented the cafeteria plan document for City of Flagstaff for approval by the board.

Ms. Anderson stated that she will provide the cafeteria plan document to Mr. Townsend to submit for legal review.

**Shannon Anderson made a motion to approve as presented, pending legal review. Jami Van Ess seconded, motion passed.**

**d. Wellness Committee**

**Amber Baker**

Ms. Baker provided a brief update on wellness activities.

**No action was taken.**

**e. Risk Management Committee**

**Dean Coughenour**

Mr. Coughenour stated that there was nothing to report from the committee this month.

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
December 13, 2018**

**No action was taken.**

**f. Committee Decision-Making Authority and Reporting** **Mike Townsend**

Ms. Van Ess identified the following as Finance Committee work that should be brought to the entire board for approval: any work related to the audit, budget, policies and procedures, projections, and quarterly reporting.

Ms. Baker identified the following as Wellness Committee work that should be brought to the entire board for approval: education and training for wellness committee participants, plan design changes, budget increase requests and allocation, program review and changes, project updates, scholarships and banquets, annual budget, communication channels, marketing, and events.

Mr. Kuhn stated that most of the work done by the Clinic Committee should be brought to the attention of the entire board for approval.

Ms. Caputo identified the following as Benefits Committee work that should be brought to the entire board for approval: RFPs, administrative manual changes, plan design changes, enrollment changes, and Health Equity plan documents.

Mr. Coughenour identified insurance policies that are reviewed annually as Risk Management Committee work that should be brought to the entire board for approval.

**No action was taken.**

**B. Discussion and possible board action/approval on vendor items**

**a. Segal** **Amy Girardo**

**i. Monthly medical/pharmacy report** **Nura Patani**

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

- The total loss ratio was 97.3 percent for the month ending October 31, 2018.
- Contributions exceeded claims and expenses by approximately \$69,000 for the month ending October 31, 2018.

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
December 13, 2018**

- Through October, total enrollment decreased by 0.6 percent over the prior plan year average, with enrollment by plan as follows:
  - 13.6 percent of all active employees and retirees were enrolled in the buy-up plan;
  - 63.4 percent were enrolled in the base plan; and
  - 23 percent were enrolled in the high deductible health plan.
- There were no claimants with incurred claims in excess of the \$150,000 reporting threshold through October 31, 2018.
- The plan's rolling net medical trend was -9.0 percent, and the plan's rolling net pharmacy trend was 8.8 percent.
- Wellness incentive payouts through October totaled approximately \$271,000.

Ms. Patani stated that she will provide Mr. Kuhn with active net medical trend for the past 36 months, as requested.

**No action was taken.**

**ii. 2019/2020 self-funded budget projection and contribution rate-setting, plan design, and reserves** **Nura Patani**

Ms. Patani presented the 2019/2020 self-funded projection as discussed at the November retreat.

Ms. Girardo provided a high-level recap of the items presented at the retreat. The board made decisions on each item.

Ms. Girardo presented the decision points regarding the oncology utilization management program. The board agreed to adopt the program, pending an option for either an early termination provision or a "one-to-one guarantee."

Ms. Girardo presented the decision points regarding the addition of Enhanced Specialty Guideline Management program for the rheumatoid arthritis program. Ms. Johl provided insight on the program and recommended adopting it due to the cost savings. The board agreed to add the program.

Ms. Johl presented the decision points regarding the value formulary, which is more exclusionary than the current formulary. The board decided not to approve this formulary but to discuss this item again next year.

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
December 13, 2018**

Ms. Girardo presented the decision points regarding the CVS Caremark program to allow pharmacists to administer vaccines through a broad retail network of providers. The board agreed to implement the vaccine program using the broad network, effective January 1, 2019, or as soon as it could be implemented.

**Bob Kuhn moved to implement the broader vaccine network as presented. Shannon Anderson seconded, motion approved.**

Ms. Johl presented the decision points regarding the addition of step therapy to the prescription drug, Metformin. The board agreed to add step therapy to Metformin effective as soon as possible.

Based on questions raised at the November retreat, Ms. Girardo presented the decision points regarding the telehealth options, including an opt-out for mental health parity. The board agreed that there would be no opt-out option for mental health parity, that a zero dollar copay would be implemented for the base and buy-up plans, and that the benefit would be effective January 1, 2019.

Ms. Patani presented the modeling dashboard and the decision points regarding a possible fourth plan design option. The board requested that Ms. Patani provide all design options to each agency to discuss internally, so that feedback could be given at the January meeting. The board requested that the projected rate increases be prepared based on three options: 1%, 1.5% and 2.0%. Ms. Patani stated that she will provide the fourth plan design to each entity and include options for projected increases of 1.0%, 1.5%, and 2.0%.

**iii. Compliance and industry update**

**Amy Girardo**

Ms. Girardo provided a compliance and industry update, highlighting an increase in IRS dollars and Social Security figures for 2019 and new laws prohibiting restrictions on pharmacists discussing drug costs with patients.

**No action was taken.**

**b. Employee Assistance Program contract**

**Mike Townsend**

This item was discussed in executive session, as indicated above.

**c. Kachina Village Improvement District possible membership**

**Mike Townsend**

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
December 13, 2018**

Mr. Townsend stated that the Kachina Village Improvement District had expressed interest in joining NAPEBT. He mentioned that the entity is currently included in the Coconino County employee count. He stated that the district has eight employees and will have a “seat at the table,” but will not have a vote.

Ms. Anderson advised that the membership agreement would need to be revised.

Ms. Girardo stated that she will work with Nancy Hakes to revise the administrative manual to include Kachina Village.

**No action was taken.**

**d. Kairos update and discussion**

**Mike Townsend**

Mr. Townsend asked that Mr. Genaro and Ms. Esquibel leave the room at 1:20 p.m. so that the board could discuss this item.

Mr. Genaro and Ms. Esquibel were invited back into the room at 1:41 p.m.

Mr. Kuhn stated that the board would like to invite Kairos to the January meeting to make a presentation.

**No action was taken.**

**C. Discussion and possible board action/approval on meeting wrap-up items**

**a. 2018/2019 meeting project plan**

**Aaron Genaro**

Mr. Genaro presented the 2018/2019 meeting project plan.

**b. Review of action items and timelines**

**Mallory Esquibel**

Ms. Esquibel presented the list of action items, which included the following:

- Ms. Anderson will provide Cafeteria Plan Documents to Mr. Townsend to submit for legal review.
- Mr. Genaro will include committee meeting minutes in each board book moving forward.
- Ms. Patani will provide Mr. Kuhn with active net medical plans for the past 36 months.

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
December 13, 2018**

- Ms. Patani will provide the fourth plan design to each entity and include options for projected increases of 1%, 1.5%, and 2%.

**5. EXECUTIVE SESSION: None**

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

**7. NEXT REGULAR MEETING: January 24, 2019**

**8. ADJOURNMENT: 1:54 p.m.**