



**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
April 18, 2019**

**4. ACTION ITEMS**

**A. Wellness Program Manager Evaluation**

**Mike Townsend**

Mr. Townsend instructed Ms. Esquibel to scratch the wellness program manager evaluation from the agenda. There was nothing to discuss at this time.

**No action was taken.**

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

**a. Clinic Committee**

**Bob Kuhn**

**i. Committee minutes (March 27, 2019)**

No questions about committee minutes.

**ii. Vera update**

**Julie Almond**

Ms. Almond presented the clinic update, including monthly appointments, clinic dashboard, and comments left by clients.

Ms. Almond discussed the occupational health services guidelines, which included the services offered and an example of the Vera event request form.

Mr. Kuhn requested that a copy of the guideline be sent to all trustees.

Ms. Baker agreed to send all board members the occupational health services guideline document, along with all notes taken at the next wellness meeting referring to the document.

Mr. Kuhn recommended that Trust board members schedule a teleconference to discuss and approve the construction contract for the Vera clinic.

Ms. Almond will send a map of the Vera clinic construction to the board members.

Mr. Kuhn will request a schematic drawing from the construction foreman.

**No action was taken.**

**b. Finance Committee**

**Jamie Van Ess**

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**i. Committee minutes (none)**

**ii. Audit**

Ms. Van Ess informed the board that she is still working on the capitalization policy. She also confirmed that the board had reviewed the audit. After doing so, she recommended formally adopting the audit as-is.

**Ms. Van Ess motioned to approve the NAPEBT financial audit, Mr. Townsend seconded, motion approved.**

**c. Benefits Committee**

**Rosa Logan**

**i. Committee minutes (for review only)**

Ms. Logan notified the board that Coconino Community College will be over-seeing and updating the HIPAA, short-term disability, and administrative manual.

**No action was taken.**

**d. Wellness Committee**

**Katie Wittekind**

Ms. Wittekind presented the finance review for the Wellness Committee, which highlighted the following amounts:

- Total budget: \$97,000.00
- Year to date: \$53,336.48
- Projected: \$34,550.00
- Remaining: \$9,113.52

Ms. Wittekind sent the finance review to all committees.

Ms. Baker announced that the Environment Scholarship was awarded to Coconino Community College.

Ms. Logan noted that Coconino Community College plans on purchasing new equipment for the school with the scholarship money.

Ms. Wittekind reminded everyone that the awards banquet was being held that night, April 18.

**No action was taken.**

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**e. Risk Management Committee**

**Mike Townsend**

Mr. Townsend noted that no one was present from the Risk Management Committee and that the Trustees could move on from this action item.

**No action was taken.**

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

**a. Segal**

**Amy Girardo**

**i. Monthly medical/pharmacy report**

**Quentin Gunn**

Mr. Gunn presented an overview of NAPEBT's claims, expenses, and contributions for the period ending February 28, 2019. Key observations from the report included the following:

- Claims and expenses exceeded contributions by approximately \$559,000 for the month ending February 28, 2019.
- Through January, total enrollment was approximately the same as the prior plan year's average.
- There were nine claimants with incurred claims in excess of \$150,000, two of whom appeared on the report for the first time.
- The plan's rolling net medical trend was -0.2%, and the plan's rolling net pharmacy trend was 19.8%.
- Wellness payouts for the year totaled approximately \$192,000.

**No action was taken.**

**ii. Compliance and industry changes and trends**

**Amy Girardo**

Ms. Girardo highlighted the following industry information and issues:

- an IRS private letter ruling on 401(K)-based student loan repayment stating that employers/employees now have an option for employers to match the dollar amount that employees pay into their 401(K) for purposes of paying off student loan debt;
- mitigation of cyber risk via insurance;
- common benefit plan compliance issues;
- updating of Department of Labor regulations governing white-collar worker eligibility for overtime pay under the Fair Labor Standards Act;

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- proposed legislation designed to expand the Affordable Care Act; to remove some of the changes made by the Trump administration; and to repeal the Affordable Care Act's 40% excise tax on high-cost health plans.

**No action was taken.**

**iii. Retiree plan option**

**Quentin Gunn**

Mr. Gunn presented the top two implications researched while looking at the retiree plan options: (1) gap evaluation; and (2) impact to plan.

Ms. Krumholz went over two exhibits in the board book. Exhibit A referred to the projected costs in the coming years if the plan keeps retiree enrollment open. Exhibit B referred to the projected costs and savings in the coming years if the retiree enrollment option is closed after June 30, 2021.

Mr. Gunn indicated that there would not be any savings in the foreseeable future if the retiree option were kept open. On the other hand, closing the retiree plan option would produce savings by the year 2022, and a total of approximately \$9.7 million by the year 2030.

Mr. Gunn also pointed out that closing the retiree plan option by June 30, 2021 might result in employees retiring earlier than expected.

Ms. Girardo indicated that she will bring an ASRS network analysis to the next board meeting for purposes of board review and discussion of other retiree network options.

Ms. Anderson expressed that her only concern was the number of employees who will try to retire early, and the implications that may have. Mr. Townsend suggested that each entity determine how many employees will be eligible to retire between the present and June 2022.

Mr. Townsend reminded the committees that Smart Works is in place for each entity if they so choose.

**No action was taken.**

**iv. SHAPE renewal options**

**Amy Girardo**

Mr. Townsend presented a one-year contract option at the price of \$27,000 and asked for a motion to be made.

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**Shannon Anderson motioned, Bob Kuhn seconded, motion approved to renew a one-year SHAPE contract at the price of \$27,000.**

**v. Pharmacy plan design changes effective 7/1/19**

Ms. Girardo handed out a separate document to the meeting attendees that addressed the new potential pharmacy plan design, which states that employees would only be able to go to a CVS pharmacy or utilize a mail option after initial prescription pick-up and one fill.

Ms. Girardo's recommendation was not to move forward with this plan design change due to excessive disruption for employees.

Ms. Anderson agreed with Ms. Girardo's statement.

**Jami Van Ess motioned, Bob Kuhn seconded, motion approved to eliminate the pharmacy plan design change.**

**D. Discussion and possible board action/approval on other items**

**a. Ashton Tiffany evaluation and contract**

Mr. Townsend stated that the Ashton Tiffany contract decision will be pushed to the next meeting due to questions about the 5% increase.

Ms. Anderson asked if anyone was aware of the reasoning behind the increase.

Mr. Mahoney stated that he will ask Ms. Jundt and Ms. Darnall from Ashton Tiffany to provide the reasons for the increase via email.

**No action was taken.**

**b. Segal evaluation and contract**

Mr. Townsend asked the committees representatives if they would like to table this contract decision until everyone has had a chance to look at the evaluation.

Ms. Girardo stated that the memo on page 124 of the board book reiterates the request for a 1.5% increase to the contract.

Mr. Townsend informed the board members that the evaluation for Segal was positive overall.

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Ms. Anderson reminded the board that Segal is in the fifth year of the procurement process.

**Jami Van Ess motioned, Bob Kuhn seconded, motion approved to renew the Segal multiyear contract with a 1.5% increase.**

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

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

Ms. Esquibel presented the 2018/2019 meeting project plan and made modifications for the May meeting based on board discussion.

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

Mr. Mahoney presented the list of action items, which included the following:

- Julie Almond will send the board details and the map regarding the upcoming capital improvements.
- Bob Kuhn will obtain the schematic drawing for the Vera clinic improvements.
- Amber Baker will send occupational therapy information to the members.
- Amy Girardo will provide the board with a disruption analysis and ASRA information to facilitate further discussion of plan options for retirees.
- Amy Girardo will provide Mike Townsend with compliance information regarding HDHP charges to the Vera clinic.
- Ashton Tiffany will provide the board with detail behind the proposed 5% increase to its 2019/2020 fiscal year contract.

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

**7. NEXT REGULAR MEETING: May 16, 2019**

**8. ADJOURNMENT: 11:04 a.m.**