

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
April 20, 2017**

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

Amy Girardo	Segal
Nura Patani	Segal (telephonic)
Sarah Virgil	Ashton Tiffany
Jennifer Gabriel	Ashton Tiffany
Lori Jundt	Ashton Tiffany (telephonic)
Lindsey Gregerson	Vera Whole Health (telephonic)
Marianne Heiderscheidt	Vera Whole Health

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

Mike Townsend (chairperson)	Coconino County
Jami Van Ess	Coconino Community College
Shane Dille	City of Flagstaff

**The following Alternate Trustees were present:**

Margaret Penado	Coconino County
Shannon Anderson	City of Flagstaff
Jennifer Moore	Flagstaff Unified School District

**The following guests were present:**

Katie Wittekind	Coconino County
Tasha Wilson	Coconino County
Jordan Dixon	Coconino County
Jeanie Confer	Coconino County Accommodation School
Lynn Hill	NAIPTA
Dean Coughenour	City of Flagstaff
Dawn Andersen	Flagstaff Unified School District
Ginger Wischmann	Flagstaff Unified School District

**1. CALL TO ORDER 9:12 a.m.**

**Unanimous approval of the agenda by the Trustees.**

**2. APPROVAL OF MINUTES**

- A. January 26, 2017**
- B. February 10, 2017**
- C. February 23, 2017**

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
April 20, 2017**

**Unanimous approval of the minutes by the Trustees.**

**3. Executive Session**

The Trustees entered into executive session to discuss Appeal 2017-1.

The Trustees exited executive session.

**4. ACTION ITEMS**

**A. Discussion and possible board action on Appeal 2017-1** **Mike Townsend**

Ms. Anderson motion, Ms. Van Ess second, motion denied

**B. Discussion and possible board action on Vera Onsite Clinic** **Marianne Heiderscheidt**

Ms. Heiderscheidt provided an update on clinic utilization and patient satisfaction. She advised that member engagement was 65 percent, and was in line with the first year goal. She noted that February and March had seen an increase in physical therapy utilization, at 116 and 127 visits respectively. The most recent patient satisfaction average score for the providers was 4.8, and 96 percent of respondents would recommend the clinic to a co-worker.

Ms. Heiderscheidt advised the board of upcoming items, including the next Vera Whole Health Council Meeting scheduled for April 27, 2017, and the annual performance report, to be presented in May.

Ms. Wittekind asked if Vera will provide a same day/next day report on the next month's clinic update, and Ms. Gregerson advised that the report would be presented on a quarterly basis going forward.

**No action was taken.**

**C. Discussion and possible board action on February 28, 2017 interim financial statements** **Lori Jundt**

Ms. Jundt presented the financial report for the period ending February 28, 2017. She advised the following:

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
April 20, 2017**

- Total assets as of February 28, 2017 were \$11,947,190.
- Cash and cash equivalents were \$10,863,155.
- Total liabilities were \$4,499,795.
- Claims payable were \$1,508,463.
- Reserve for IBNR losses remained unchanged from the prior month at \$1,158,000.
- Net assets as of February 28, 2017 were \$7,447,395.
- The year-to-date deficit of revenues over expenses was \$2,716,250.

Ms. Jundt advised the Trustees that as of March 31, 2017, the net cash position for operating expenses was low. Based on an historical review, she expected additional funds would need to be transferred from investments in order to meet operational needs for the remainder of the 2016/2017 program year. The Trustees discussed, and agreed to transfer \$2 million into the operating account.

**No action was taken.**

**D. Discussion and possible board approval of the audit** **Mike Townsend**

Mr. Townsend provided an update on the audit process for the year ended June 30, 2016. He advised that the audit was near completion, and that once finalized he would submit to all for review.

**No action was taken.**

**E. Discussion and possible board action on audit vendor service** **Mike Townsend**

**No action was taken.**

**F. Discussion and possible board action on monthly report** **Nura Patani**

Ms. Patani presented an overview of NAPEBT's 2016–2017 contributions, claims and expenses, inclusive of clinic expenses, for the period ending February 28, 2017. Key observations from the report included:

- Claims and expenses (after stop loss reimbursements and pharmacy rebates) exceeded contributions by \$2.66 million, or 16.2 percent of contributions.

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
April 20, 2017**

- Net medical and prescription claims at month end was \$1.965 million; or \$260,000 higher than the prior month.
- The total loss ratio was 120.5 percent, resulting in a deficit of \$425,828 for the month.
- The active buy-up, as well as the retiree buy-up and base plans, continue to experience operating deficits.
- The average cost per claim under the buy-up plan for 2016/2017 was similar for active participants and retirees, as compared to the prior year in which the retiree cost was significantly higher.

Ms. Patani also reported that there were four large claims over 50 percent of the stop loss deductible through February 2017, with one claim exceeding the \$300,000 threshold and generating a stop loss receivable.

Ms. Patani presented an update on wellness program participation through February 2017.

Ms. Penado inquired as to why total costs for Tier 3 participation were greater than Tier 2. Ms. Patani advised that she would review the information and provide an update.

Finally, Mr. Townsend noted that large claims over \$75,000 through March 2017 had increased from four to seven, including several related to newborn complications and drug dependencies. The expected stop loss reimbursement at March 31, 2017 was approximately \$42,500.

Ms. Girardo commented that there was a variety of large claim types, and that the program was experiencing a high number of large claims this year.

Ms. Patani advised that she would research the nature of the residential treatment facilities claims to clarify whether treatment was provided in or out of network.

Ms. Wittekind advised that she would work on developing a prenatal plan once her support staff was on board.

**No action was taken.**

**G. Discussion and possible board action on  
the wellness program**

**Katie Wittekind**

Ms. Wittekind presented an updated report on employee engagement. She advised that the numbers were down, and offered to send each member a report on the

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST**  
**MEETING MINUTES**  
**April 20, 2017**

number of registered users. She further advised that an employee identification number is required to log into the portal, and that retirees could simply type in “retiree” as their identification number.

Ms. Anderson advised that any employees that did not know their identification number should contact their human resource representative.

Mr. Dille inquired as to whether the health risk assessment (HRA) questions were being incorporated into the wellness portal. Ms. Wittekind advised that the Vera Clinic was asking the HRA questions, with 56 percent of the participants completing the survey.

Ms. Wittekind further advised that she was focused on improving employees’ perception of the program benefits in order to increase buy-in.

Mr. Dille then asked if the HRA could be made voluntary within the portal. Ms. Wittekind confirmed that it could.

Ms. Girardo commented that not requiring members to complete the HRA and Biometrics and allowing plan participants more flexibility in earning incentives will drive up the cost of the total wellness incentives paid.

Ms. Anderson noted that claims would likely increase, and Ms. Wittekind agreed, indicating that Vera Clinic is the better choice if the member is receiving wellness programs at no cost to the member.

Mr. Dille asked if there was a way to estimate the cost of exams. Ms. Wittekind advised that based on the incentives not including claims the expense was approximately \$250k more (one percent higher than claims today).

Ms. Wittekind then presented an overview of the proposed Wellness Program 2018 Incentive Structure. The revised incentive structure was developed by employees from each of the six member agencies, and was intended to change employee perception of the program as a benefit in lieu of an incentive plan. The revised program focused on increasing options, expanding opportunities for wellness exams, and creating easy-to-understand communications.

Ms. Penado asked if there was a limitation on points accumulation for physical activity. Ms. Wittekind advised that this would likely be left unlimited.

Ms. Anderson suggested changing the description for annual provider visit to reflect annual medical provider visit.

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
April 20, 2017**

Ms. Wittekind advised that the proposed changes would be rolled out over the next 12 months for the 2018 plan year.

Ms. Wittekind presented the proposed 2017/2018 wellness budget. She confirmed that wellness classes were available to all employees, and that program offerings were provided for dependents age 12 and up.

She noted that based on the year to date projected spend, there was \$13,365 remaining for the current plan year, and that all subsidies had been spent.

Mr. Townsend suggested that marketing start after the fall retreat, once the financial impact could be reviewed. Mr. Dille agreed and requested that a final recommended program and timeline be presented before finalizing the plan.

Ms. Wittekind agreed to revise the Wellness budget to clarify year end projection and will email the Wellness budget spreadsheet to board members to review.

Ms. Wittekind will produce a revised Wellness report with the suggested additions to review with a timeline, as well.

The discussion of the program survey questions was tabled for a separate meeting.

**No action was taken.**

**H. Discussion and update on industry changes**

**Amy Girardo**

Ms. Girardo provided a brief update on legislative efforts to amend the Affordable Care Act, noting that nothing has changed for group health plans, and that plan sponsors must continue to comply with the existing requirements.

Ms. Girardo also provided an update on industry trends for the second quarter of 2017, which included the following items:

- increase in opioid-related inpatient stay and ED visits,
- compliance news,
- vendor marketplace changes, and
- strategies for managing plans.

There was some discussion of exploring EAP services.

**No action was taken.**

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
April 20, 2017**

**I. Discussion and possible board action on a modification of the transmission of eligibility data to Vera Clinic** **Amy Girardo**

Ms. Girardo advised that the Administrative Committee, Segal, BlueCross, and Vera Whole Health had been reviewing existing administrative processes in an effort to create efficiencies and reduce the potential for discrepancies in data.

As a result, the group recommended that future submissions of eligibility data to the clinic be provided by Blue Cross on a monthly basis.

The group further recommended that the change become effective June 2017, with required testing to be submitted in May 2017.

Ms. Girardo clarified that staff at the clinic had access to the eligibility information in the BlueCross system.

Ms. Anderson asked if the employee ID and email address could be added to the data fields, and Ms. Girardo advised that she would confirm.

Ms. Girardo then noted that BlueCross would move forward with the data transfer.

Ms. Anderson asked if clean-up of the clinic files was necessary prior to the transmission, and Ms. Girardo agreed to follow up on this item.

**No further action was taken.**

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

The Trustees and Amy discussed the survey conducted on Ashton Tiffany's performance.

**Unanimous approval to extend Ashton Tiffany's contract for one year.**

**J. Discussion and possible board action on the Administrative Manual** **Amy Girardo**

Ms. Girardo presented the changes to the Administrative Manual and advised that an updated version would be posted on the website.

Ms. Penado noted that the Navajo language was not correct. Ms. Girardo advised she would review and update the manual as needed.

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
April 20, 2017**

**Shane Dille motion, Jennifer Moore, second, motion approved**

**K. Discussion and review of action items  
timeline**

**Jennifer Gabriel and  
Sarah Virgil**

Ms. Gabriel presented the project plan. The Trustees requested modifications, and Ms. Gabriel advised that the plan would be updated prior to the next meeting.

Subsequent to the meeting, the following action items were distributed to various participants:

Segal will draft a response to the appellant.

Vera will provide a same day/next day report on the next month's clinic update.

Segal will provide Heinfeld Meech with data they requested for the audit.

Mr. Townsend will forward the audit to the board for review.

Mr. Kuhn will provide an update on the RFP for the audit vendor at the next meeting.

Segal will determine why Tier 3 wellness incentives were higher than than Tier 1 and 2.

Segal will check on the nature of the large claims above \$75,000.

Ms. Wittekind will send a weekly wellness point report to all agencies.

Ms. Wittekind will change the wellness program language to state "bi-annual medical visit" for the next plan year.

Ms. Wittekind will revise the wellness budget to clarify year end "projection."

Ms. Wittekind will email the wellness budget spreadsheet to board members to review.

Ms. Wittekind will produce a revised wellness report with the suggested additions for review, with a timeline.

Segal will look at EAP incidence response at the employer level.

Segal will begin work with a committee to develop an RFP for EAP services.



**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
April 20, 2017**

Segal will present Health Trends quarterly.

Segal will revise the Administrative Manual on the language page to correct the section for Navajo language.

Segal will work with BlueCross BlueShield to determine if they can include employee ID and email addresses in the monthly eligibility feed to Vera.

Segal will ask Vera if employers need to continue to clean up their eligibility files for the data feeds.

Ms. Wittekind will send the Wellness Survey to all wellness committee members to review with their administrators.

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

**6. NEXT REGULAR MEETING: May 18, 2017**

**7. ADJOURNMENT: 2:15 p.m.**