

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST
MEETING MINUTES**

August 19, 2016

The following Consultants/Vendors were present:

Amy Girardo	Segal
Daljit Johl	Segal
Nathan Myrvold	CVS Caremark
Mary Ann Heiderscheidt	Vera Whole Health
Lisa Womack	Pietzsch Bonnett & Womack
Nancy Bonnett	Pietzsch Bonnett & Womack
Bob Patterson	Briotix

The following Trustees were present and a quorum was met:

Shane Dille	City of Flagstaff
Bob Kuhn	Flagstaff Unified School District
Mike Townsend (Chairperson)	Coconino County

The following Alternate Trustees were present:

Erika Philpot	Coconino County
Rosa Logan	Coconino Community College District
Shannon Anderson	City of Flagstaff
Margaret Penado	Coconino County

The following guests were present:

Katie Wittekind	Flagstaff Unified School District
Ginger Wischmann	Flagstaff Unified School District
Dean Coughenour	City of Flagstaff
Tasha Wilson	Coconino County
Lynn Hill	NAIPTA
Lauree Battice	NAIPTA
Jeanie Confer	Coconino County Accommodation School
Jennifer Caputo	City of Flagstaff
Megan Cunningham	Coconino County

- 1. CALL TO ORDER 9:40 a.m.**
- 2. APPROVAL OF MINUTES June 16, 2016 and June 28, 2016**

Unanimous approval by the Trustees of the Minutes.

3. ACTION ITEMS

A. Discussion and Possible Board Action on Vera Onsite Clinic Update

Katie presented the engagement report. The encounters over the summer have been lower but it is expected. The break out of the appointments has not been completed yet. Dean asked that the workers comp data be broken out by agency usage.

Bob said they sent a person to the Clinic the other day and the person was told the clinic could not help them. Bob will follow up with Mary Ann to discuss the specific details.

Katie explained the biometrics screenings are beginning today. Page Services are beginning in October. Mary Ann said the first Wednesday in October will be a flu shot clinic in Page and in November all services will begin.

Peter Masey has moved to another position so Vera is recruiting for a nurse practitioner. Dean asked if there is a credit to NAPEBT for the time that the clinic is not fully staffed. Bob and Katie said that salaries are a pass through so the salaries for those individuals should not be reflected. Katie asked that Mary Ann send information on the recruitment to her so she can send it to the Trustees for each employer to post on their individual websites.

No action was taken.

B. Discussion and Possible Board Action on Hiring an Additional Physical Therapist Position at the Vera Clinic

Bob Patterson of Briotix reviewed the recommendation on hiring another physical therapist. There is a staffing shortage for onsite injury prevention services at the clinic. Bob P. believes there is a cost savings to the Trust to add another therapist. Bob said utilization is better at the clinic than national data on a per visit cost basis. Bob explained the services available and said they are operating at a 90%+ productivity level. They are outsourcing some visits due to the capacity issues at the clinic. There is a deficit of about 100 visits per week. Bob is recommending the additional therapist to increase physical therapy visits by 30 hours which increases the total hours available to 70 hours in per week. It is a challenge to meet the needs with the one provider they currently have. They would like to take 20 hours and open them up for 30 minute time slots for short term physical therapy.

Bob explained the projected ROI. They are proposing a \$15,000 per month increase to add the additional physical therapist.

Bob Kuhn said the philosophy of the clinic is to meet with plan participants for an hour. Bob Patterson said it will not affect the hour of care but will supplement the care as needed with some shorter visits. Katie said some people cannot get into the clinic at all and she is concerned that plan participants are being turned away.

Shannon wants to confirm that the 50 people going outside the clinic now for services are asking to come to the clinic for services vs. are they going outside because they are choosing to go outside the clinic. Bob said they are turning people away and there is not enough capacity. The clinic schedule filled up quickly and the demand has continued to increase. Bob explained that the current demand will not even be fully met with this request. Katie commented that they surveyed employees and asked if they are aware that physical therapy (PT) is available and several employees were not aware. Therefore, Katie believes the demand for PT could increase. Bob estimates the ROI will be 2.1 to 1 if they add one more physical therapist.

Mary Ann said plan participants on the High Deductible Health plan pay for their services in the clinic. Bob asked about the effect on the square footage available in the space for the physical therapy services if they add one more provider. Bob Patterson said he thinks they will be fine on space.

Briotix is now asking for an increase in their hourly rate from \$109 (discounted to \$91 in the original Vera contract) to \$121 due to rising costs. Bob said they have had a negative margin in the contract and now they find the need to request an increase. Shannon believes there is a limit in their Vera contract on increases. Shannon would like to know how that cap applies to subcontracts as well including Briotix. Bob Kuhn said administering two therapists should drive per capita costs down but Bob Patterson said that there is an increase in cost to manage two employees but it is not double. Bob Patterson said if they are going to engage in a negotiation then he can review some further information and provide it to the Trustees.

Bob Patterson pointed out that many of their competitors do not provide a discount and he commented that they still believe they are competitive. Margaret provided some comments on her concern around ergonomics and occupational therapy claims. Bob Patterson is suggesting there is a mixing of the models. Margaret asked if there were group meetings instead of the individual meetings would there be a reduction in cost. Bob Patterson said the hourly rate would not change.

Mike reviewed the Trust budget figures with the Trustees.

Katie commented that Vera brought this issue to the Trustees because of the employee complaints about capacity. Mike said there will be some complaints regardless and he asked what people are thinking.

Dean made some comments on physical therapy. He commented that PT often is over prescribed. Dean is concerned about all of the additional funds requested. Dean said Vera submitted a full price bid with fixed costs and escalators in the contract and Dean feels this is Scope creep. Dean said it is confusing to him that the cost as presented will be higher ring services internal to the clinic rather than keeping them external and using providers outside the clinic. Dean said outside the clinic the cost is \$65 per visit. Dean suggested they could charge a reduced cost for PT at the clinic to help curb some utilization at the clinic.

Bob Kuhn believes we need to hold off on expanding staff with another physical therapist for now. He wants to wait to review the budget and review the whole performance of the clinic. Dean would like to know the total number of PT visits by month for 2014, 2015 and year to date 2016. Are we increasing visits over time or is it only through the clinic that services have increased?

Katie feels we have a number of people that cannot get into the clinic for services and that employees may get turned off. Katie said she worries about burn out and time off for the existing physical therapist.

Mike said there are a certain number of services in the clinic that are available but he is concerned that we are creating a demand. Mike feels there are a lot of unanswered questions.

A concern was raised that there are external doctors that are prescribing PT visits that are being treated by the PT doctor in the clinic.

Katie said you do not need a prescription in Arizona to go to a physical therapist. The physical therapist provides the treatment plan. Katie also said she does not believe there are people that increase their need for physical therapy.

Bob Patterson said that payments to outside clinics is much greater than what they are proposing for the cost of services. Mary Ann said plan participants can only see a PT in the clinic after they see a doctor in the clinic.

Shannon wants to wait to review the full conversation with the clinic until the Retreat and budget discussion. Ginger agrees with Shannon and wants to look at the clinic budget as a whole. Shane said it makes a lot of sense to hold off on the contract discussions and pricing. Rosa agrees that we need to look at a cost for cancellation, a copay for an appointment, creating 30 minute appointments and we should perform an operational review. Katie wants to know if they can use the PRN person to help temporarily. Shannon believes they need to have a bigger conversation.

Mike said he is hearing that we need to wait for the budget discussion in November. We need to ask Vera for solutions for a complete picture on what to do. Shannon would like the Trustees to develop a list of questions to be brought back to the next Trust Board meeting for review and collection. The questions will be provided to Vera to answer during the Trust Board Retreat.

No action was taken.

C. Discussion and Possible Board Action on the High Deductible Health Plan Copays at the Vera Clinic

Bob has asked their new attorney to look at the cost of services for the High Deductible Health plan participants. Shannon sees this as step one in the process of changing plan designs.

Dean said there will be a significant drop in enrollment due to the clinic.

No action was taken.

D. Discussion and Possible Board Action on the Discussions with the Trust Attorney

Mike introduced Nancy and Lisa. Nancy provided history on their company. They work on health and welfare and compensation plans. Shannon explained the selection process. The Trustees have given the attorneys some assignments to begin reviewing already.

Bob further reviewed the selection process. Katie said they have had the attorneys review the Ashton Tiffany contract and the Trustees want them to work on and review several other projects as well.

Nancy explained there are 8 people in the firm and most of the team have been together for 30 years. They are fully digital and are accessible to their clients. Nancy said they are responsive and will not keep the Trustees waiting for a response.

No action was taken.

E. Discussion and Possible Board Action on the Ashton Tiffany Contract and Services

Mike reviewed the Ashton Tiffany contract for services. He explained the Scope of Services and compensation for those services. The contract is for one year. Mike also spoke about the Investment services available. Mike said they will need to review the investment structure. The next step is to meet with the investment manager is to determine the needs of the Trust and establish a policy. Bob said the investment manager will present of their investment reports during the Trust Board meetings.

Dean pointed out the indemnification language needs to be updated on the BAA and he also stated a change in the contract needs to be made without indicating the County's name specifically.

Shane said he understands this is going to be a pilot year. Shane would like the Agreement to indicate it is a one year agreement.

Unanimous approval of the Ashton Tiffany contract by the with the three modifications as mentioned.

F. Discussion and Possible Board Action on the Account Based Plans and Trust Presentation

This item will be brought back to the Trust Board in a webinar meeting.

No action was taken.

G. Discussion and Possible Board Action to Approve 2017 Formulary

Nathan reviewed the 2017 pharmacy formulary with the Trustees. Nathan confirmed that the mailings to affected plan participants will be sent in November. The one plan participant who is on a specialty pharmacy drug will be grandfathered on this drug. Daljit said that she is always concerned with asthmatics and diabetics with switching medications. Daljit would like calls to be made to the asthmatics if possible. Nathan said there is typically telephonic outreach to plan participants as well. Daljit said participants like Ventolin inhalers but she understands Proair inhalers are less expensive.

Nathan said there is also a new program that is being rolled out addressing the hyper-inflation of drug management. Nathan said they have a new program that will monitor egregious pricing increases and they will monitor the expensive drugs.

No action was taken.

H. Discussion and Possible Board Action on the Trust Bank

Bob explained that the investment pool will not work with the Trust's existing bank. The existing bank relationship is hard to work with and the investment manager recommends the Trust work with Wells Fargo. Chase does not work well with the investment manager. Bob said there should not be additional fees to the Trust.

Shane asked if there is going to be a cost to the Trust. Bob indicated there will be some time to change banks so both accounts will need to remain open until all checks are cleared.

Unanimous approval by the Trustees to move the bank account to Wells Fargo.

I. Discussion and Possible Board Action to Approve the Audit Engagement Agreement

Bob suggested we should have the current auditors prepare the audit this year, Heinfeld Meech. Mike suggested the Trust go out to bid next year for this service.

No action was taken.

J. Discussion and Possible Board Action to Approve the Trustee Retreat

Katie has booked Thornagers for the Retreat. She commented that she has booked the location from 9:00 a.m. to 3:00 p.m. both days. Vera has also been informed that they will need to attend.

No action was taken.

K. Discussion and Possible Board Action on the Wellness Update

- **Health Fair Changes**

Katie wanted to let people know that she has re-branded the logo for wellness. Katie also updated the Trustees on the Health Fair. Katie said participants can get their blood draws done at the clinic and it is by appointment only. Participants are not going to be able to be seen for a blood draw unless they have an appointment. Mike suggested they highlight on the flyer that people need an appointment and that someone not covered by the medical plan cannot get an appointment.

Katie said texting updates will be sent out with the September marketing.

Katie said the wellness portal is up and running. She has had people register. Katie explained there are several automatic features so people do not need to manually enter points anymore. Katie can update the system automatically. Katie said 301 people have registered in the system so far. Katie said she can make modifications to the portal real time. Rosa said the College is going to schedule sessions with several groups to review the new portal.

No action was taken.

L. Discussion and Possible Board Action on the Authorized Signers for NAPEBT

Mike and Bob discussed the option of authorized signers for the Trust. Mike said he was thinking that it might be best to have the four Trustees as signers. Bob agreed with Mike.

Shane made the motion that the Trustees all be signers. Unanimous approval by the Trustees to make all Trustees authorized signers.

M. Discussion and Possible Board Action on the Alex System Data (Enrollment)

Katie explained the data provided is only through June 1st. There were 215 users on the site through June 1st. Katie said she believes they may need to be more communication. Ginger commented that some people really liked the Alex system.

No action was taken.

N. Discussion and Possible Board Action to Approve the Meeting Project Plan for 2016/2017

Amy reviewed the project plan and made a few modifications.

No action was taken.

O. Discussion on the Review of Action Items and the Timeline

A list of questions on the operation of the clinic will be brought back by the Trustees to the next Trust Board meeting. The list will be provided to Vera with a presentation of their responses to be given at the Retreat.

Katie will send the information on the clinic position open for each employer to post it on their websites.

The Ashton Tiffany contract needs to be updated with three items.

The Trustees want the total number of PT visits by month for 2014, 2015 and year to date 2016. Are we increasing visits over time or is it only through the clinic that services have increased? They would like this information for the October meeting. Segal will request this data.

- 4. EXECUTIVE SESSION: None**
- 5. CURRENT EVENT SUMMARIES/ANNOUNCEMENTS: None**
- 6. NEXT REGULAR MEETING: September 15, 2016**
- 7. ADJOURNMENT: 1:42 p.m.**