

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST
MEETING MINUTES
DECEMBER 17, 2015**

The following Consultants/Vendors were present:

Amy Girardo	Segal
Tom Mandrola	Blue Cross Blue Shield of Arizona
Colette Severns	Blue Cross Blue Shield of Arizona

The following Trustees were present and a quorum was met:

Jami Van Ess	Coconino Community College
Jerene Watson	City of Flagstaff
Mike Townsend	Coconino County

The following Alternate Trustees were present:

Rosa Logan	Coconino Community College
Jennifer Moore	Flagstaff Unified School District
Shannon Anderson	City of Flagstaff
Drew Baecker	City of Flagstaff
Margaret Penado	Coconino County

The following guests were present:

Dean Coughenour	City of Flagstaff
Katie Wittekind	Flagstaff Unified School District
Gayle Benton	Coconino Community College
Ginger Wischmann	Flagstaff Unified School District
Lauree Battice	NAIPTA
Scott Walmer	Flagstaff Unified School District
Tasha Wilson	Coconino County
Lynn Hill	NAIPTA
Heidi Derryberry	Coconino County

- 1. CALL TO ORDER** **9:05 a.m.**
- 2. APPROVAL OF MINUTES** November 18 - 19, 2015

Unanimous approval by the Trustees of the Meeting Minutes with the following modifications: October 22, 2015 – add Gayle Benton as an attendee and change the contract period for Katie in Action Item B to 6/30/16, November 18-19 Retreat – Drew Baecker should be listed as an Alternate Trustee and Action Item F needs to reflect that Katie and Bob will meet with the attorney on Friday.

3. ACTION ITEMS

- A. Discussion and Possible Board Action on Blue Cross Utilization Data** **Tom Mandrola**

Tom presented the 2014 and 2015 information on the per visit costs for Primary Care,

Specialist, Urgent Care and Emergency Room Care. Dean asked about the average allowed per visit cost across the State of Arizona. Tom mentioned that emergency room costs are higher in Flagstaff. He also commented that Primary Care and Specialist costs are a little higher in Flagstaff than in Maricopa County and the Urgent Care costs are fairly similar to Maricopa County. The number of specialist office visits appear high but lab services are included in the number of visits so that is impacting the total. Tom identified that lab services could be excluded from the data. Dean asked if a drill down could be provided on the specialist office visits to more clearly identify what is driving the costs in that category. Dean would like to know what types of specialists are driving the costs (cardiologist, allergies, etc.). Tom will prepare a report.

Dean asked where in the data emergency room visits are being tracked with respect to patients who are released or admitted. If a patient is an admit are they being reflected in the emergency room data or inpatient hospitalization data? Dean would like hospital inpatient data and outpatient data broken down similar to the data that was presented today by Blue Cross to gain an understanding of the utilization patterns to aid in building the future medical plan designs. Shannon would like to see the data broken down for the High Deductible Health Plan separately from the other plan options for both the data presented today and the new data on inpatient and outpatient services that will be presented in the future. Tom mentioned that acuity of the services performed can be reported in the data analysis and the request was made to provide that information historically as well as in the future. Tom will prepare the reports.

No action was taken.

B. Discussion and Possible Board Action to Consider the Williams Unified School District Request to Join NAPEBT **Amy Girardo**

Amy reviewed the Williams enrollment data with the Trustees. The enrollment in the medical plan is lower than what is allowed for under the Trust Agreement.

No action was taken.

C. Discussion and Possible Board Action on Vantagen Baker Tilly Online Enrollment system Alex Module **Mike Townsend**

This item was combined and will be discussed during the Budget projection discussion.

No action was taken.

D. Discussion and Possible Board Action on Discontinuing Opting Out of Mental Health Parity Effective July 1, 2016 **Colette Severns**

Colette presented information on the discontinuation of opting out of mental health parity. Colette explained that services would be received just like any other services offered in the health plan. The current visit limits for mental health and substance abuse services would be removed from the plan. Colette reviewed the behavioral health utilization information with the Trustees for 2014 and 2015.

No action was taken.

E. Discussion and Possible Board Action on the Online Clinic

Katie Wittekind

Katie provided some encounter data for the clinic. Katie mentioned there has been feedback provided to the Whole Health Council on the clinic. Katie does not have the weekly load information yet but she will obtain that information from Vera. Vera has mentioned that they want to wait to look at utilization until after the first 90 days because they tend to see utilization level out after the first 90 days. Katie mentioned they would bring back onsite clinic utilization data in February to the Trust Board.

Shannon asked that the patient exit survey include the request for where services would have been sought had the patient not gone to the clinic. Katie will ask for the survey to be updated. Shannon asked about the pre-employment services and worker's compensation services offered through the clinic because Vera has not been responsive to moving forward with getting the services set up. Katie will contact Vera's CEO to discuss the pre-employment services and worker's compensation services that are to be offered at the clinic. Katie will check with Vera on the protocols for services to be performed and report back to the Trust Board. Katie also mentioned that she has asked Vera to meet with each agency after the first of the year to determine if their needs are being met. Additional meetings will be scheduled for the Trust Board to review updated information on the clinic. Dean would like a representative from Vera to attend future Trust Board meetings including Bonnie who is the clinic administrator along with anyone else from Vera who may be able to provide strategic information. Katie will request Vera attend future Trust Board meetings.

No action was taken.

F. Discussion and Possible Board Action on a Review of Wellness Metrics

Katie Wittekind

Katie and Lynn presented the wellness goals for the program and budget. Drew reviewed the priorities of the wellness program. She mentioned the Alere points tracking system is not working efficiently. Drew mentioned that marketing is important because some plan participants still do not appear to know about classes or programs offered or that their families can participate. Drew mentioned that a portion of the budget is in place to allow for trainings offered by the County during the day but that plan participants want those same programs at other times of the day when they can attend. Drew explained that incorporated into the budget request is training for the wellness committee, as well as, for Katie. Drew explained that a portion of the budget is to provide some funds to each agency to support their individual onsite programs. Katie explained that some participants want more classes with a variety of offerings but attendance has not been as high as they would like. Katie mentioned that she is in discussions with the Aquaplex to allow participants to attend classes without having a membership. Katie also reviewed the request for funds for some targeted programs and environmental supports for participants.

No action was taken.

G. Discussion and Possible Board Action on the Goals, Compensation Package and Employment Entity for the Wellness Program Manager

Mike Townsend and Shannon Anderson

This item was combined and will be discussed during the Budget projection discussion.

No action was taken.

H. Discussion and Possible Board Action on Hiring the Trust Administrator Amy Girardo

Bob, Mike, Jami and Amy will participate in a committee to discuss the duties of the Trust Administrator. Amy will work with Bob to schedule a meeting for the committee. This item will be discussed during the January Trust Board meeting.

No action was taken.

I. Discussion and Possible Board Action to Approve the 2015 Audited Financial Report Bob Kuhn

This item was moved to the January Trust Board meeting.

No action was taken.

J. Discussion and Possible Board Action on Changing Trust Attorneys Shannon Anderson

Shannon explained that she has had problems with the responsiveness of Mangum, Wall, Stoops and Warden. Shannon would like the Trust Board to consider reviewing other attorneys to serve as the Trust's advisor. Bob and Jami have a relationship with The Trust for Worker's Compensation and they have a list of attorney available. Shannon suggested different attorneys may have different levels of expertise. She suggested the Trustees might want to have a list of attorneys available to use based on their level of expertise and services needed by the Trust.

Bob, Shannon, Margaret, Amy and Katie will discuss options for legal services. Shannon will schedule a time for the discussion on services needed.

No action was taken.

K. Discussion and Possible Board Action on 2016-2017 Contribution Rate Setting, Plan Design, Pharmacy Programs, Reserves and Cadillac Tax Amy Girardo

The Trustees reviewed the budget projection, contribution, plan design and Cadillac tax impact to the medical plan. The Trustees will not further consider the 2nd High Deductible Health plan option for FY 2017 but the Trustees would like to consider this option for FY 2018.

Jami proposed at the end of the November Trust Board Retreat that the Trustees adopt a lower reserve limit level (27.5% as the minimum to 33.3% as the target) and a 4% contribution increase effective 7/1/16. Dean recapped the discussion last year on the contribution increase and he believes the Trust should adopt the 5% increase with the new reserve policy. Margaret agrees that a 5% increase should be adopted. Ginger thinks an increase needs to be adopted. The City has budgeted the 5% and Shannon believes the new reserve policy addresses the concerns from their employees that the reserves are set too conservatively. Mike is fine with changing the reserves and either a 4% or 5% contribution increase effective 7/1/16. Katie commented that prescription drug costs will continue to increase outside of the clinic. Shannon is concerned that 4% is too low and she feels 5% is more appropriate and Mike agreed.

The Trustees are considering the adoption of adding subrogation to the plan, discontinuing opting out of mental health parity, increasing in-network deductibles by \$250 for single coverage and \$500 family on all plan, lowering the reserve limit level (27.5% as the minimum to 33.3% as the target) and either a 4 or 5% increase to the contribution rates.

The fees listed in the budget projection need to be modified as follows: the online enrollment system enrollment figures need to be modified to match the enrollment listed for the Alex system, the annual retreat and meeting fees line item needs to be increased to \$5,500 and the wellness coordinator and employment expense line item needs to be increased to \$62,000 will need to be modified for the budget review meeting during the January Trust Board meeting. Segal will update the budget expense line items and provide the updated documents for the January Trust Board meeting.

No action was taken.

L. Discussion and Possible Board Action on the Evaluation Tool and Process for Segal's Performance Review **Bob Kuhn**

This item was moved to the January Trust Board meeting.

No action was taken.

M. Discussion and Possible Board Action to Approve the Meeting Project Plan for 2015/16 **Amy Girardo**

Amy presented the project plan. Some modifications were made to the project plan which will be modified and presented during the January Trust Board meeting.

No action was taken.

N. Discussion on the Review of Action Items and the Timeline **Amy Girardo**

Dean asked if a drill down could be provided on the specialist office visits to more clearly identify what is driving the costs in that category. Dean would like to know what types of specialists are driving the costs (cardiologist, allergies, etc.). Tom will prepare a report.

Dean asked where in the data emergency room visits are being tracked with respect to patients who are released or admitted. If a patient is an admit are they being reflected in the emergency room data or inpatient hospitalization data? Dean would like hospital inpatient data and outpatient data broken down similar to the data that was presented today by Blue Cross to gain an understanding of the utilization patterns to aid in building the future medical plan designs. Shannon would like to see the data broken down for the High Deductible Health Plan separately from the other plan options for both the data presented today and the new data on inpatient and outpatient services that will be presented in the future. Tom mentioned that acuity of the services performed can be reported in the data analysis and the request was made to provide that information historically as well as in the future. Tom will prepare the reports.

Katie will bring onsite clinic utilization data in February to the Trust Board meeting.

Shannon asked that the patient exit survey include the request for where services would have been sought had the patient not gone to the clinic. Katie will ask for the survey to be updated. Katie will contact Vera's CEO to discuss the pre-employment services and worker's compensation services that are to be offered at the clinic. Katie will check with Vera on the protocols for services to be performed and report back to the Trust Board. Katie also mentioned that she has asked Vera to meet with each agency after the first of the year to determine if their needs are being met. Additional meetings will be scheduled for the Trust Board to review updated information on the clinic. Dean would like a representative from Vera to attend future Trust Board meetings including Bonnie who is the clinic administrator along with anyone else from Vera who may be able to provide strategic information. Katie will request Vera attend future Trust Board meetings.

Bob, Mike, Jami and Amy will participate in a committee to discuss the duties of the Trust Administrator. Amy will work with Bob to schedule a meeting for the committee. This item will be discussed during the January Trust Board meeting.

The audited financial report will be presented during the January Trust Board meeting.

Bob, Shannon, Margaret, Amy and Katie will discuss options for legal services. Shannon will schedule a time for the discussion on services needed.

The Trustees will consider adopting the 2016-2017 medical contribution, rate setting, plan design and reserves during the January Trust Board meeting.

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The evaluation tool and process for Segal's performance review will be discussed during the January Trust Board meeting.

Some modifications were made to the project plan which will be modified and presented during the January Trust Board meeting.

4. EXECUTIVE SESSION

5. CURRENT EVENT SUMMARIES/ANNOUNCEMENTS

6. NEXT REGULAR MEETING: January 21, 2015

7. ADJOURNMENT – 1:04 p.m.