

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST
MEETING MINUTES
FEBRUARY 27, 2015**

The following Consultants/Vendors were present:

Amy Girardo	Segal
Stephanie Calandro	Segal

The following Trustees were present and a quorum was met:

Jami Van Ess	Coconino Community College
Jerene Watson	City of Flagstaff
Bob Kuhn (Chairperson)	Flagstaff Unified School District
Allison Eckert	Coconino County

The following Alternate Trustees were present:

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

The following guests were present:

Katie Wittekind	Flagstaff Unified School District
Richard Baron	Coconino County
Gayle Benton	Coconino Community College
Heidi Derryberry	Coconino County
Ginger Wischmann	Flagstaff Unified School District
Dietrich Sauer	Flagstaff Unified School District
Kim Aringdale	Flagstaff Unified School District
Christy Pacheco	Coconino County
Jay Sutliffe	NAU
Betsy Whited	NAPEBT
Marie James	NAPEBT
Tasha Wilson	Coconino County
Lynn Hill	NAIPTA

1. CALL TO ORDER 9:08 a.m.

The Trustees voted to swap the Onsite clinic and wellness discussions by moving the Wellness/NAU discussion to 1:00 p.m. and move up the Onsite Clinic discussion up to 11:45 a.m. . Unanimous approval by the Trustees to make this change to the agenda. Unanimous approval by the Trustees to move the Administrative Manual discussion and the Wellness Taxation Implications to a phone conference call meeting.

2. APPROVAL OF MINUTES January 23, 2015 and February 12, 2015

The Trustees unanimously approved the meeting minutes.

3. ACTION ITEMS

A. Discussion and Possible Board Action on 2015-2016 Contribution Rate Setting, Plan Design and Reserves **Stephanie Calandro and Amy Girardo**

During the January 2015 Trust Board meeting, rate increases of 0% and 1% were illustrated for the 2015/2016 plan year. The rate increases illustrated for the next 4 plan years were 4%, 7%, 8%, and 8%. The Trustees asked that the onsite clinic funding through reserves be adjusted. The Trustees reviewed the proposed plan and contribution options.

Stephanie reviewed the stoploss renewal options with the Trustees.

Unanimous approval by the Trustees to approve the regulatory plan changes, an increase in copay for emergency room for all three medical plans, an increase to copays for primary care, specialist office visits, urgent care visits, a 0% increase to the contribution rates, and the BCBSAZ stop loss renewal option of a \$275,000 specific stop loss deductible.

B. Discussion and Possible Board Action on Trust Renewals **Amy Girardo**

Amy reviewed the renewals with the Trustees.

Unanimous approval by the Trustees to adopt the renewals as presented with the stoploss renewal change as noted above.

C. Discussion and Possible Board Action on Consultant Service Contract Agreement **Bob Kuhn**

Unanimous approval to enter into negotiations with Segal. There was a one point differentiation between the second and third proposers.

D. Discussion and Possible Board Action on Life Insurance Contract **Amy Girardo**

Amy reviewed the life insurance RFP process and the committee's recommendation with the Trustees.

Unanimous approval to award the contract to Minnesota Life and adopt Option 1 for open enrollment as presented.

E. Discussion and Possible Board Action on Conflict of Interest Statements for Signature by the Trustees **Bob Kuhn**

A discussion on conflicts of interest took place.

No action was taken.

F. Discussion and Possible Board Action to Discuss Wellness Program
a. Taxation Implications of Programs Offered

Katie Wittekind

This item was moved to a telephone conference call to be held in March.

b. NAU and NAPEBT Nutrition Study

Katie presented information on a proposed nutrition study for NAU and NAPEBT. The program was presented as a voluntary option for participants. Katie would like to introduce a six week pilot program followed by a two year study with 120-130 participants. NAU is setting up a pilot program and it has some funding for the program. Katie is seeking Trustee approval to move forward with exploring this program with NAU. As part of the study Katie and NAU would be apply for grants for funding. Katie suggested that the grants could be applied for by NAU, NAPEBT, or jointly. Katie does not have a formal proposal but she is seeking approval to continue to explore options. Shannon suggested that the onsite clinic may provide some direction on the program. Katie said there are a lot of resources at NAU. Katie's time would involve setting up classes, schedules, etc. for the nutrition program. She would not be involved in grant writing. Katie requested permission to move forward with a pilot program. Moving forward could include adding further assessment tools to the current nutrition program. Current industry studies do not cover some of the metrics Katie wants to add to the NAPEBT program.

NAU will put the program through an Institutional Review Board (IRB) to protect plan participants.

Shannon said that some of the nutrition programs will be provided at the clinic.

Katie would like to offer additional assessment surveys to the current classes. She would like to encourage participants to obtain a voluntary second biometric test during the study. Six weeks is a long enough time for change to occur if a participant follows a strict diet program.

It was explained that a stepped program could be offered or a full fledged diet could be adopted for participants in the program. The program promotes using less sugar in the diet.

Katie wants to conduct a formal program to measure the results. Katie does not feel it would impact current participation in the program because participation for the more intensive classes would be voluntary. Almost 200 people are enrolled in the sugar challenge program. Participants can currently participate in level one and/or level two of the program.

Allison would like to review the proposed hours for Katie's time and current hours she spends on Trust activities to determine good uses of her time. Katie is concerned that, because she is being held to a high standard for implementing change and satisfying/fulfilling metrics, these types of programs are extremely important.

Bob suggested Katie work with Dr. Hagstrom at FUSD to review the program, goals, etc. Katie said she already has gathered a lot of information to share with Dr. Hagstrom.

Katie is anticipating the six week program would include thirty people. The participants would need to complete a survey, work with Betsy one hour per week, and have a biometric screening at

the beginning of the program and then again at the end of the program. The cost to the Trust would be the second biometrics test at the end of the program.

Allison would like to review a proposal with roles, responsibilities, and a full project plan. The program will be reviewed with Dr. Hagstrom first. Katie's plan will include the cost to the Trust and the liability to the Trust. Dr. Hagstrom will review the proposal to determine whether or not it is appropriate and he will review potential legal issues.

No action was taken.

G. Discussion and Possible Board Action on Revised Incurred But Not Reported Certification **Amy Girardo**

Stephanie reviewed the updated Incurred But Not Reported certification.

No action was taken.

H. Discussion and Possible Board Action to Discuss Trust Administrator Role **Bob Kuhn**

Bob indicated it is a little early to determine what will be needed from an administrator based on the health clinic. Bob estimates there will be a need for an administrator 25 hours per week and it would be a part-time job. Bob said they are close to determining the duties needed. Katie pointed out that there are items that could be handled by the administrator that are not related to the clinic and they may need to hire someone with additional capabilities to handle those duties. The administrator will also take care of the meeting minutes, timeline, and the meeting agendas.

No action was taken.

I. Discussion and Possible Board Action on Administrative Manual **Katie Wittekind**

This item moved to the phone conference call to be held in March.

J. Discussion and Possible Board Action on Onsite Clinic **Katie Wittekind**

Bob and Katie presented the onsite clinic committee's recommendation for Vera Whole Health. Vera would be a great cultural fit, is located in Seattle, and has a great wellness model. Vera integrates well with its providers and wellness program. Dr. Christy Pacheco introduced herself and explained that Vera started as community wellness project and that it moved into health clinics. It is focused on chronic disease management. She explained that Vera will include worker's compensation services. The providers will meet with the wellness committee monthly and work with each of the employers.

Katie highlighted information on Marathon, the runner up in the process. However, the committee felt that Vera would be a better cultural fit for the Trust. Bob explained that Vera is expensive but its fees are inclusive of many services. Bob said Vera has a western culture and that it will work closely with each employer to figure out what is needed. Vera is one of the newest companies offering onsite clinic services, however, it would be a good cultural fit. Bob identified that Marathon would not provide its financial information for review. Bob asked that the Trustees approve that the Committee begin negotiations with Vera Whole Health.

The cost of the clinic and the analysis of care redirected to the clinic was reviewed with the Trustees. Christy explained that the clinic savings will be driven by how the clinic is structured. She explained that the committee felt Vera would tailor its services to the needs of the Trustees and the community to help drive participation. Christy explained that the recommendation is based on the tailored approach which may have some cost impact. Christy explained that Vera will have on-call availability with a provider from the clinic for care after the clinic's business hours/hours of operation. Bob explained that the key to the clinic's success is going to be to drive employees to the clinic and the committee felt Vera will achieve the highest utilization level of the two vendors considered.

Dietrich asked about the recruitment of providers. Katie provided information on how Vera will recruit and Shannon added that Marathon had a greater provider turnover rate than Vera. Bob said that Vera will recruit in the local community first, which was important to the Trust. Vera said it would host a local provider meeting to work closely with them (including the hospital). Vera will coordinate continuity of care with the outside providers. Katie said it would be highly attractive for a provider to work at the clinic due to the reduced administrative duties of filing claims with insurance carriers. Clinic providers do not have to worry about filling appointments so they can focus on care. Christy explained that new providers go to Vera University to figure out how to work together and to get the team assembled and trained or "ready to provide care."

Christy said that the best direction is to follow Vera's recommended model because Vera has studied the best option for the Trust. Christy also discussed that Vera is able to provide services in Page and was open to the idea of potentially expanding into Williams, whereas other vendors dismissed this idea as being cost-ineffective without considering that employees residing in this area have limited access to care.

Vera's current clients include Seattle Children's Hospital, South Bend Community Schools Corporation, and Trident Foods, and Vera is in the process of opening three new clinics in the western United States. Vera is currently operating eight clinics, some of which may be in rural or small communities. Katie reviewed the references she received.

Mike said he thinks the community outreach will be important. Christy explained that Vera anticipates the needs of each Trust employer.

Shannon reviewed with the Trustees the services, staffing, and costs for both Vera and Marathon. Shannon highlighted that both systems have the capability to track wellness points and that the Trust anticipates moving to that system and away from Alere.

Bob and Christy explained that both vendors have a patient portal to schedule appointments but Vera prefers scheduling via telephone in order to allocate a sufficient amount of time to each patient and avoid creating a wait time before appointments.

Bob asked for Trustee approval to begin negotiations with Vera.

Unanimous approval by the Trustees to move forward with contract negotiations with Vera Whole Health.

K. Discussion and Possible Board Action on Blue Cross Blue Shield Follow-Up on Data Requests from November Benchmark Report **Amy Girardo**

Amy reviewed the Blue Cross follow-up items.

No action was taken.

L. Discussion and Possible Board Action to Approve the Meeting Project Plan for 2014/2015 **Amy Girardo**

A few items were updated in the project plan.

No action was taken.

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

Bob, the attorney, and the onsite clinic committee will begin negotiations with Vera Whole Health.

Segal will schedule a conference call in March to review items tabled for discussion.

Bob will negotiate the consulting contract with Segal.

Mike, Jami, and Bob will serve on the committee for the accounting RFP.

4. EXECUTIVE SESSION

The Board voted to go into Executive Session.

The Board voted to go out of Executive Session.

5. NEXT REGULAR MEETING – Thursday, May 21, 2015

6. ADJOURNMENT – 1:29 p.m.