

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
January 23, 2015**

**The following Consultants/Vendors were present:**

Amy Girardo	Segal Consulting
Stephanie Calandro	Segal Consulting

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

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

**The following Alternate Trustees were present:**

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

**The following guests were present:**

Katie Wittekind	Flagstaff Unified School District
Rosa Logan	Coconino Community College
Dietrich Sauer	Flagstaff Unified School District
Tasha Wilson	Coconino County
Heidi Derryberry	Coconino County
Lynn Hill	NAIPTA
Gayle Benton	Coconino Community College
Dean Coughenour	City of Flagstaff
Ginger Wischmann	Flagstaff Unified School District
Richard Baron	Coconino County
Drew Baecker	City of Flagstaff
Lisa Graham	NAIPTA

1. **CALL TO ORDER** **9:00 a.m. Agenda Approved as Presented**
2. **APPROVAL OF MINUTES** November 10, 2014, November 21, 2014, and December 4-5, 2014

**The Trustees unanimously approved the meeting minutes with the revision of listing Margaret Penado as an Alternate Trustee rather than a Guest.**

3. **ACTION ITEMS**

- A. **Discussion and Possible Board Action on 2015-2016 Contribution Rate Setting Plan Design, Pharmacy Programs, Reserves and Cadillac Tax** **Stephanie Calandro and Nathan Myrvold**

Nathan provided information on two clinical programs for the Trustees to consider offering.

The first program is Advanced Control Specialty Formulary. Nathan explained the Specialty step therapy program and indicated that current members will not be impacted. The program will only impact new plan participants.

The second program is a Drug Savings Review program. It is a program that reviews several metrics and if a concern is raised during the review, a communication is sent from an ESI pharmacist to the member's doctor. All communications occur between ESI and the member doctor. The program is guaranteed to provide at least a 3 to 1 return on investment. Nathan will check to find out if reporting on this program can be provided twice a year.

Nathan will check on participant communications available for both programs. Nathan will check to determine what introductory member communications will be provided, if any.

Stephanie reviewed the medical plan budget projection and regulatory plan design changes presented during the NAPEBT retreat. Stephanie also reviewed the five year reserve projection including and excluding the onsite clinic. Stephanie presented several plan design options for the Trustees to consider. The Trustees discussed several options including plan design changes.

In a future meeting, the Trustees would like to review a High Deductible Health Plan with the maximum limits allowable in order to provide coverage for families at a lower cost premium.

The Trustees are considering a 0% to a 1% increase in contribution rates for all medical plans and a copay change for emergency room for all three medical plans, as well as changes to the copays for primary care office visits, specialist office visits, and urgent care visits for the Base and Buy-Up plans effective July 1, 2015. The Trustees will revisit this decision during the February 2015 Trust Board meeting.

**Unanimous approval by the Trustees to adopt the Advanced Control Specialty and Drug Savings Review pharmacy programs effective July 1, 2015.**

**Unanimous approval by the Trustees to consider adopting a July 1, 2015 increase in medical plan contributions for all plans that does not exceed 1%, as well as the following plan changes effective July 1, 2015: regulatory plan changes; a copay change for emergency room for all three medical plans; changes to the copays for primary care office visits, specialist office visits, and urgent care visits for the Base and Buy-Up plans. The Trustees will revisit this decision during the February 2015 Trust Board meeting.**

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

**Amy Girardo**

Segal will request renewal options for a Specific stop loss deductible of \$225,000, \$250,000, and other deductible options for review, and prepare an analysis on historical large claims. Decisions on the renewals will be made during the February 2015 Trust Board meeting.

**Unanimous approval to adopt the Telemedicine program proposed by Blue Cross effective July 1, 2015.**

**C. Discussion and Possible Board Action on Department of Insurance Audit**

**Bob Kuhn**

Bob and Amy reviewed the Department of Insurance Audit report with the Trustees. Bob will draft a letter to the State in response to the Department of Insurance audit.

**No action was taken.**

**D. Discussion and Possible Board Action on Fidelity Bond**

**Amy Girardo**

Gina Jackson from Segal Select Insurance Services, Inc. presented renewal proposals for the Trust's Fidelity Bond. The proposals included bonds that would be effective for a three-year term.

**Unanimous approval by the Trustees to accept the Zurich renewal at the current level coverage.**

**E. Discussion and Possible Board Action to Discuss Wellness Incentives**

**Katie Wittekind**

Katie presented her Three-Year Wellness plan. The plan incorporated requests from the Wellness Committee's retreat and ideas submitted by employees. Katie requested that the City of Flagstaff and FUSD consider developing internal wellness committees.

**No action was taken.**

**F. Discussion and Possible Board Action on Hepatitis C Drug Information**

**Amy Girardo**

Nathan discussed the communication sent to NAPEBT regarding Caremark's decision to exclude certain Hepatitis C drugs from its formulary.

**No action was taken.**

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

**Amy Girardo**

**This item was tabled to the next meeting.**

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

**Bob Kuhn**

**This item was tabled to the next meeting.**

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

**Katie Wittekind**

Shannon will send her changes to the Administrative Manual to Katie and Katie will incorporate them into the Administrative Manual. Katie and Bob will contact an attorney to review the Administrative Manual.

**No action was taken.**

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

**Katie Wittekind**

Bob provided an update on the Onsite Clinic RFP process and progress. Bob and Katie will contact an attorney to discuss the funding of occupational and pre-employment services provided at the clinic.

**No action was taken.**

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

**Amy Girardo**

**This item was tabled to the next meeting.**

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

Segal and Bob will work on the general accounting services RFP.

Segal will schedule a conference call for approval of the audited financial report.

**No action was taken.**

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

**Unanimous approval by the Trustees to adopt the Advanced Control Specialty and Drug Savings Review pharmacy programs effective July 1, 2015.**

**Unanimous approval by the Trustees to consider adopting a July 1, 2015 increase in medical plan contributions for all plans that does not exceed 1%, as well as the following plan changes effective July 1, 2015: regulatory plan changes; a copay change for emergency room for all three medical plans; changes to the copays for primary care office visits, specialist office visits, and urgent care visits for the Base and Buy-Up plans. The Trustees will revisit this decision during the February 2015 Trust Board meeting.**

**In a future meeting, the Trustees would like to review a High Deductible Health Plan with the maximum limits allowable in order to provide coverage for families at a lower cost premium.**

**Segal will request renewal options for a Specific stop loss deductible of \$225,000, \$250,000, and other deductible options for review, and prepare an analysis on historical large claims. Decisions on the renewals will be made during the February 2015 Trust Board meeting.**

**Bob will draft a letter to the State in response to the Department of Insurance audit.**

**Shannon will send her changes to the Administrative Manual to Katie and Katie will incorporate them into the Administrative Manual. Katie and Bob will contact an attorney to review the Administrative Manual.**

**Bob and Katie will contact an attorney to discuss the funding of occupational and pre-employment services provided at the onsite clinic.**

**Segal and Bob will work on the general accounting services RFP.**

**Segal will schedule a conference call for approval of the audited financial report.**

4. **EXECUTIVE SESSION** – None
5. **NEXT REGULAR MEETING** – Friday, February 27, 2015
6. **ADJOURNMENT** – 2:06 p.m.