

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
NOVEMBER 18-19, 2015**

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

Amy Girardo	Segal
Nura Patani	Segal

**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
Mike Townsend	Coconino County

**The following Alternate Trustees were present:**

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

**The following guests were present:**

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

**MEETING Wednesday, November 18, 2015, 8:00 a.m.**

1. **CALL TO ORDER**                      **8:15 a.m.**
2. **APPROVAL OF MINUTES**        October 22, 2015
3. **ACTION ITEMS**

**A. Welcome and Opening Remarks**

**Bob Kuhn**

Bob welcomed everyone and complimented Katie on her hard work on the Clinic opening.

**No action was taken.**

**B. Discussion and Possible Approval on the Goals, Compensation Package and Employment Entity for the Wellness Program Manager**

**Bob Kuhn and Shannon Anderson**

Shannon stated that a group met to discuss the offer for Katie effective 7/1/16. Shannon believes a 2 percent increase to Katie's salary will bring her in line with what is appropriate for her position. Shannon is recommending a travel allowance of \$125 per month and the cost to rent a car for travel outside of Flagstaff. Shannon said they do not recommend moving Katie from Flagstaff Unified School District. Medical, dental, vision, life/AD&D and core benefits but not fringe benefits should be offered regardless of employer for whom Katie works. Shannon believes that it would be ok to have Katie remain with Flagstaff Unified School District. Katie is fine with moving to the County from Flagstaff Unified School District as an employee because she would like to take advantage of the County's contribution towards family medical coverage . The discussion was that if Katie were to move to the County she would remain at the County . Shannon provided the suggested parameters for Katie's holiday and vacation time. Shannon outlined the desire for Katie's schedule to be scheduled from Monday through Friday 8 a.m. to 5 p.m.

Mike commented that technology and email addresses will need to be worked out. He also commented that keeping Katie's original hire date and years of service is important and will need to be loaded into the County's system.

Katie mentioned that she spoke with Mike and she would like to define the core working hours. Katie said that working a flexible schedule is something that she has been allowed to do in the past because some events take place at hours outside of 8 a.m. to 5 p.m. Shannon commented that having a flexible schedule is necessary for her position but the majority of the core hours should take place during the 8 a.m. to 5 p.m. time-frame.

Shannon gathered information from several benchmark sources for reviewing Katie's salary. Shannon named the benchmark organizations used in her review. Shannon commented on the job description and how it was developed and used in her review of the salary for Katie's position.

Bob asked if anyone has concerns with the information as presented. Bob said they may prefer to eventually have Katie housed at the Clinic.

Katie said she has been working approximately 45 hours a week. She would like to know what criteria will be used to evaluate whether or not she needs help. Shannon mentioned that there will be a future discussion on whether or not Katie's position is exempt or non-exempt. The Trustees may need to revisit this issue due to a pending legislative decision.

Bob said that they would memorialize all details in a written document and present it in the January Trust Board meeting for final approval for the new contract for Katie effective 7/1/16.

**No action was taken.**

**C. Discussion and Possible Approval of Hiring the Trust Administrator**

**Bob Kuhn**

Bob mentioned that the Trust has been reviewing the option of hiring a Trust Administrator. Bob had been approached by APEHP and had discussions with Ashton Tiffany to provide professional Trust Administration services to NAPEBT. Bob would like to form a sub-committee to review the option of hiring Ashton Tiffany to provide administration services.

Amy will participate on the committee and Bob will ask some additional individuals to participate on the committee.

**No action was taken.**

**D. Discussion and Possible Approval on Modifying the Participant Cost for Preventive Generic Drug under the HDHP Plan** **Amy Girardo**

Amy presented information provided by CVS Caremark on modifying the participant cost for preventive generic drugs under the HDHP plan. The Trustees discussed the option of modifying the benefit.

**Unanimous approval by the Trustees to modify the participant cost for the preventive generic drugs under the HDHP plan as presented.**

**E. Discussion and Possible Action on Extending Dependent Eligibility to the End of the Month in which a Dependent Turns 26 for Dental and Vision Coverage** **Amy Girardo**

Amy explained that increasing the dependent age to 26 for vision would not increase premium rates. However, Delta Dental would require a 0.75% increase to children and family dental rates.

**Unanimous approval by the Trustees to have Segal request that Delta Dental provide the rate option to add dependents to age 26 for all employers along with the renewals effective 7/1/16. Unanimous approval by the Trustees to adopt the increase for dependents to age 26 for the vision plan effective 7/1/16.**

**F. Discussion and Possible Board Action on the Administrative Manual** **Shannon Anderson**

Katie and Bob will meet with the attorney on Friday to review the final draft of the Administrative Manual. Amy indicated the Trustees may want to consider reviewing the eligible class of domestic partners. Flagstaff Unified School District and the City would like to continue offering domestic partner coverage. The County would like to be consistent across the Trust with domestic partner coverage. A discussion took place on the merits of offering domestic partner coverage. Shannon commented that consistency in policies is important at the City and they have other policies that provide domestic partner coverage. Shannon asked if there were any other changes or questions on the administrative manual. No further changes were requested.

Shannon and Bob mentioned they were having problems with obtaining information from the Trust's attorney timely. The Trustees want to review obtaining services through another law firm if the Trust's attorney does not become more responsive.

**Unanimous approval by the Trustees to adopt the Administrative Manual.**

**Unanimous approval by the Trustees to review other attorneys if the Trust's current attorney does not improve their response to the Trust.**

**G. Discussion and Possible Approval of Market Update/Survey Data** **Amy Girardo**

Amy provided the Segal Survey and national trend data report.

**No action was taken.**

## **H. Discussion and Possible Approval of Compliance Update**

**Amy Girardo**

Amy presented the Compliance Update to the Trustees. Some discussion took place.

**No action was taken.**

## **I. Discussion and Possible Board Action to Approve the 2015 Audited Financial Report**

**Bob Kuhn**

The audited financial report was not available in time for the meeting. Segal commented that the Numbers Café financial statements through June 30, 2015 and September 30, 2015 were included in the packet. A question was asked on where the cost of the clinic appears in the fees for 2015/2016 in the Numbers Café financial statement. Segal will follow up with Numbers Café to determine where the expense line item appears for the clinic in the financial statement.

**No action was taken.**

## **J. Discussion and Possible Approval of the Wellness Incentives**

**Katie Wittekind**

Katie provided an update and overview of the wellness incentive program including identifying the priorities for the requested items that will increase the wellness budget. Dean commented that he believes all dollars spent in wellness will produce savings. Bob commented that the wellness budget needs to be transparent and itemized. Katie commented it is hard to provide a Return On Investment figure because it is hard to quantify events that don't happen as a result of changing lifestyles.

Shannon commented that the funds collected for non-participants should be used to support the wellness program.

Jami commented that she would anticipate that the expense for Katie's salary and benefits should be included in the total cost spent by NAPEBT for wellness.

A discussion took place on potentially including dependents in the wellness incentive program. Katie will review the goals on how to increase participation in the wellness program with employees, as well as, offering incentives for dependents. Katie and Bob will research the IRS regulations on the incentives that can be made available for spouses and dependents.

The Trustees want to consider the potential increase in the wellness budget during the budget projection discussion.

Katie provided an update on the clinic. The first day of the clinic went well. Thirteen patients were seen at the clinic and 48 patients were scheduled for future appointments by the end of day Monday. Seventy-eight people attended the opening of the clinic. Katie is working on the Spanish versions of communications. Katie said there is a website available for the clinic. Katie said the website vendor will be changing in January.

Services for Worker's compensation will be offered beginning in January through the clinic.

The Grand Opening of the clinic is Thursday, December 3<sup>rd</sup> at 10:00 a.m. The board members of each NAPEBT employer and their elected officials were invited to the opening. The Trust needs to decide who will cut the ribbon with Bob and Ryan the CEO from Vera who will also attend

the Ribbon cutting. The Trustees decided to formally invite the employer Board Chairs to participate in the Ribbon cutting.

Bob said some employees did not receive their package announcing the opening of the clinic until after the opening of the clinic took place this week. Bob is looking into the delivery issues. Katie mentioned there was a phone issue yesterday at the clinic that has been resolved today.

Katie provided an update on services that will be provided in Page through the clinic. Katie is going to meet with the Page employees to provide them with an update on services that will be offered to them.

Katie said that she and Vera are working through the reports that will be provided by the clinic. Katie said they can only break down information at the level in which it is submitted in the eligibility file into the system. For the smaller agencies the information cannot be broken down by department due to HIPAA Protected Health Information concerns. Some departmental information for large employers may not be broken down either due to the small size of the department.

Katie said the implementation committee will continue until the council meetings begin and the clinic is fully up and running.

Shannon is concerned because a timeline has not been established to begin offering pre-employment services. Bob said January 1<sup>st</sup> is the initial date for the clinic to offer pre-employment testing. Bob will follow up with Vera to clarify the timeline for the clinic to begin offering Workers Comp and pre-employment testing services.

Katie provided an update on coaching and training she has received by Vera and clinic staff. Bob attended the Vera Clinic training in Oregon.

**No action was taken.**

**K. Discussion and Possible Approval of the Monthly Report**

**Nura Patani**

Nura reviewed the medical plan monthly report with claims updated through September 2015. The total loss ratio is higher than current contribution rates.

**No action was taken.**

**L. Discussion and Possible Approval of Health Utilization Report**

**Nura Patani**

Nura presented the Health Utilization report. Dean would like to know how many employees are enrolled in each plan by tier which Amy was able to provide during the meeting. Mike thinks a discussion should take place on the premium differentials of the plans. Dean raised the question of the impact on the clinic if we steer plan participants to the High Deductible Health Plan (HDHP). Drew commented that she believes several employees enrolled in the HDHP do not seek health care services.

Dean thinks it would be helpful to review the number of large claims by year for the last 10 years. Mike agreed it would be helpful to review a longer history of large claims. Amy found some additional historical data on the large claims and shared it with the Trustees.

**No action was taken.**

**M. Discussion and Possible Approval of the Incurred But Not Reported (IBNR) Certification**

**Nura Patani**

Nura reviewed the IBNR certification with the Trustees.

**No action was taken.**

**N. Discussion and Possible Approval of Preliminary Medical Plan Budget Projection, Medical Plan Design, Health Initiatives, and Contribution Strategy**

**Nura Patani and  
Amy Girardo**

➤ **Onsite Clinic Expense**

➤ **Alex Module to Vantagen Baker Tilly Online Enrollment System**

Nura reviewed the final five-year budget and reserve decision made by the Trustees for the 2015/2016 plan year.

Nura reviewed the breakdown of paid and allowed claims by type of service provided by Blue Cross. Dean would like to know on Urgent Care Facility and Urgent Care Professional services how much is paid by the plan and how much is employee paid. He would like to know for Emergency room services what is the net cost to the employee and net cost to the employer per visit. Dean asked why the cost per visit for emergency room is higher than urgent care. Segal will follow up and request information from Blue Cross.

Nura reviewed the 10-year history of paid loss ratio and trend history for NAPEBT.

Nura reviewed the updated budget projection and plan design options. Margaret asked if instead of opting out of mental health parity if the current limits could be increased. Segal will research the option of increasing the benefits for mental health parity while still allowing the Trust to opt out of full compliance with mental health parity. The Trustees would like to know how the benefit will change if they discontinue opting out of Mental Health Parity. Segal will bring this information back to the December Trust Board meeting.

Dean commented that pharmacy copays are something that typically should be impacted last due to the high usage of pharmacy benefits by plan participants.

The Trustees requested information on their calculated thresholds in comparison to the excise tax (Cadillac) thresholds. Segal will present the excise (Cadillac) tax calculations for the 2015/2016 plan year and a projected figure for 2016/2017 during the December Trust Board meeting.

A discussion among the Trustees took place on their options.

**No action was taken.**

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

**Amy Girardo**

Bob said that they would memorialize all details in a written document and present it in the January Trust Board meeting for final approval for the new contract for Katie effective 7/1/16.

Bob would like to form a sub-committee to review the option of hiring Ashton Tiffany to provide administration services. Amy will participate on the committee and Bob will ask some additional individuals to participate on the committee.

Segal will present the excise (Cadillac) tax calculations for the 2015/2016 plan year and a projected figure for 2016/2017 during the December Trust Board meeting.

Segal will follow up with Numbers Café to determine where the expense line item appears for the clinic in the financial statement.

Bob will follow up with Vera to clarify the timeline for the clinic to begin offering Workers Comp and pre-employment testing services.

Dean would like to know on Urgent Care Facility and Urgent Care Professional services how much is paid by the plan and how much is employee paid. He would like to know for Emergency room services what is the net cost to the employee and net cost to the employer per visit. Segal will follow up and request information from Blue Cross.

Katie will review the goals on how to increase participation in the wellness program with employees, as well as, offering incentives for dependents. Katie and Bob will research the IRS regulations on the incentives that can be made available for spouses and dependents.

Katie will review the goals on how to increase participation in the wellness program with employees, as well as, offering incentives for dependents.

The Trustees would like to know how the benefit will change if they discontinue opting out of Mental Health Parity. Segal will bring this information back to the December Trust Board meeting.

The Trustees will discuss the potential of changing Trust attorneys at the December Trust Board meeting.

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

**5. NEXT REGULAR MEETING: December 17, 2015**

**6. ADJOURNMENT 3:46 p.m.**

**MEETING Thursday, November 19, 2015, 8:00 a.m.**

**1. CALL TO ORDER 8:07 a.m.**

**2. ACTION ITEMS**

**A. Discussion and Possible Approval of Preliminary Medical Plan Budget Projection, Medical Plan Design, Health Initiatives, and Contribution**

**Nura Patani**

The Trustees reviewed the fees line items in the budget projection. Some modifications to the fees were made during the discussion and review.

Jami asked for more metrics and data on the wellness programs proposed. Katie will provide further metrics on the wellness programs proposed during the December Trust Board meeting. A discussion took place on the wellness program, expenses and data. Erika suggested that wellness

information can be shared with employers outside of the Trust Board meetings for informational items.

The Trustees will make the decision on whether or not to move forward with the Vantagen Baker Tilly Online Enrollment system Alex module back to the December Trust Board meeting.

The Trustees discussed their options with plan design changes and reserves.

Dean would like visits tracked for the last 12 months to the next 12 months for visits at providers outside the clinic in order to determine how much of the utilization is being driven to the clinic.

**B. Discussion and Possible Approval of Final Wrap Up Discussion and Next Step**

**Amy Girardo**

The Trustees would like to review the option of adopting a 5% increase to contribution rates for FY17, a \$250 single and \$500 family deductible increase to all plans and discontinuing to opt out of mental health parity including the current and new proposed reserving policy of 33.3% as a high and 27.5% as a low. A second option would include all changes mentioned in the first option with the exception that the increase would be 4% for FY17 including the current and new proposed reserving policy of 33.3% as a high and 27.5% as a low. Segal will bring the option as discussed and contribution rates to the December Trust Board meeting. Segal will email the information to the Trustees for review.

**C. Discussion and Possible Approval of Review of Action Items and Timeline**

**Amy Girardo**

Jami asked for more metrics and data on the wellness programs proposed. Katie will provide further metrics on the wellness programs proposed during the December Trust Board meeting.

The Trustees will make the decision on whether or not to move forward with the Vantagen Baker Tilly Online Enrollment system Alex module back to the December Trust Board meeting.

Dean would like visits tracked for the last 12 months to the next 12 months for visits at providers outside the clinic in order to determine how much of the utilization is being driven to the clinic. Segal will make the request for data from Blue Cross.

The Trustees would like to review the option of adopting a 5% increase to contribution rates for FY17, a \$250 single and \$500 family deductible increase to all plans and discontinuing to opt out of mental health parity including the current and new proposed reserving policy of 33.3% as a high and 27.5% as a low. A second option would include all changes mentioned in the first option with the exception that the increase would be 4% for FY17 including the current and new proposed reserving policy of 33.3% as a high and 27.5% as a low. Segal will bring the option as discussed and contribution rates to the December Trust Board meeting. Segal will email the information to the Trustees for review.

Segal will bring a menu of Trust Administrative service options from Ashton Tiffany for the Trustees to review and consider during the December Trust Board meeting.

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

**5. NEXT REGULAR MEETING: December 17, 2015**

**6. ADJOURNMENT 11:06 a.m.**