

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST
MEETING MINUTES
September 15, 2016**

The following Consultants/Vendors were present:

Amy Girardo	Segal
Richard Ward	Segal
Jennifer Schuster	Segal (telephonic)
Craig Christian	Delta Dental
Nathan Myrvold	CVS Caremark
Patrick Kohnen	Claremont Capital
John Ashton	Ashton Tiffany
Tracy Foss	Ashton Tiffany
Lori Jundt	Ashton Tiffany
Jennifer Gabriel	Ashton Tiffany
Marianne Heidersceidt	Vera Onsite Clinic
Ryan Schmid	Vera Onsite Clinic

The following Trustees were present and a quorum was met:

Mike Townsend (Chairperson)	Coconino County
Shane Dille	City of Flagstaff
Jami Van Ess	Coconino Community College
Bob Kuhn	Flagstaff Unified School District

The following Alternate Trustees were present:

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

The following guests were present:

Katie Wittekind	Coconino County
Tasha Wilson	Coconino County
Meghan Cunningham	Coconino County
Jennifer Caputo	City of Flagstaff
Dean Coughenour	City of Flagstaff
Lynn Hill	NAIPTA
Lauree Battice	NAIPTA

1. CALL TO ORDER

9:08 a.m.

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Unanimous approval by the Trustees of the agenda.

2. APPROVAL OF MINUTES August 19, 2016

Unanimous approval by the Trustees of the minutes.

3. ACTION ITEMS

**A. Discussion and possible board action on
Vera Onsite Clinic**

**Marianne Heiderscheidt
Ryan Schmid**

Ms. Heiderscheidt informed the Trustees that services would begin in Page, Arizona, on October 1, 2016. She provided an overview of the clinic utilization through August 2016 noting that participant engagement was at 47 percent and the goal by the end of the year was 55 percent. She also provided an update on physical therapy visits, including workers' compensation physical therapy visits. She advised that the ratings continue to be very high.

Mr. Kuhn stated he was aware a member had recently been denied service related to a workers' compensation visit. He advised he would research further and follow up with Ms. Heiderscheidt. He further advised that he would continue investigating provision of workers' compensation awareness training through the Alliance.

Mr. Schmid, CEO, Vera Clinic, noted that the clinic was running well, and that census volumes were averaging higher than normal for the participants, with four visits in comparison to the standard two.

Mr. Townsend reminded the Trustees that an annual review of the clinic would be provided in March 2017.

Finally, Ms. Heiderscheidt reviewed the clinic's patient satisfaction statistics. She advised that the updated reports would be provided to the Trustee for review in advance of the October board meeting.

**B. Discussion and possible board action on
the Delta Dental utilization report**

Craig Christian

Mr. Christian presented the utilization report for the period September 2015 through August 2016. He advised the Trustees that NAPEBT's utilization continued to be consistent from year-to-year with very little change. He further noted that while each agency has their own unique plan design, the summary incorporated data on an

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accumulative basis. He stated that individual employer reports were available for each agency.

No action was taken.

Unanimous approval by the Trustees agreed to discuss action items H and D due to being ahead of schedule and the CVS presenter had not arrived at the meeting.

H. Discussion and possible board action on the Administrative Manual **Margaret Penado**

Ms. Penado engaged the Trustees in a discussion in order to clarify the intent of certain provisions in the Administrative Manual. The board agreed to the interpretation of the language for all five scenarios provided and agreed that no changes were needed.

No action was taken.

C. Discussion and possible board action on the CVS/Caremark utilization including any proposed clinical programs **Nathan Myrvold**

Mr. Myrvold provided an update on prescription trends related to raising costs due to multiple factors including inflation, increased utilization, and high cost specialty drugs. He presented the utilization report for the plan year July 2015 through June 2016. He informed the group that NAPEBT's prescription trend was lower than the prior year's which was 24.2%. This plan year the trend was 8.8 percent or 6.1 percent (including rebates). He stated that the program had experienced a slight increase in use of generics, and utilization for hepatitis C medications were down significantly which resulted in a negative trend for specialty medications. Dermatology medications were up 32.2 percent and contributed 1.6 percent to NAPEBT's total trend. He also pointed out that while industry trends were showing increases in specialty drug costs, NAPEBT had a 10.9 percent decrease over the prior year.

Mr. Myrvold also presented several program options. The Pharmacy Advisor Counseling program designed to provide one-on-one member counseling to address non-adherence and close gaps in care. The program's intent is to improve clinical outcomes and potentially reduce overall health care costs by affecting members' medication management behavior. The proposed fee for the program was \$0.60 per member per month. He also presented a program called Conditional Alerts. The

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program identifies opportunities to improve therapy by combining pharmacy, medical and lab data to create a more holistic view of the member, gaps in care and the opportunities to address them. The program fee was \$0.45 per member per month and offers a 2:1 return on investment (ROI) savings guarantee over a 3-year period. The estimated savings to the Pool for both programs would be approximately \$275 thousand per year. The Trustees agreed to revisit these items at the November meeting.

There was some discussion on the increased utilization of opioids. Ms. Girardo agreed to review the Administrative Plan criteria for any recommended changes.

Ms. Philpot questioned how one could elect to opt-out of the calls they receive from CVS. She also requested the percentage of those that have opted out of the calls. Mr. Myrvold agreed to research the issue.

Mr. Myrvold advised NAPEBT's utilization trend related to dermatology had also increased during the 2015/2016 plan year and presented a new Dermatology Management program. He advised there would be approximately 151 affected participants if the Pool agreed to implement the program and reminded the group that each of the employers should be prepared to address staff with this change.

Finally, Mr. Myrvold also recommended that the Pool require precertification for diclofenac gel due to the increased dispensing rate from compounding pharmacies. Ms. Panado requested that CVS provide a notification to all participants affected by this change. Ms. Girardo agreed to work with CVS to assure the notifications would be sent.

Ms. Girardo advised that Segal recommend implementation of the dermatology management program and the precertification on diclofenac gel effective January 1, 2017, as proposed.

Mr. Dillie suggested that these and similar administrative or minor changes should be handled without Trustee approval going forward. The Trustees agreed and Mr. Townsend verified he would work with Ms. Girardo on these types of items.

Unanimous approval by the Trustees to approve the Dermatology Management program effective January 1, 2017.

Unanimous approval by the Trustees to require a prior authorization for diclofenac gel effective January 1, 2017.

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**D. Discussion and possible board action on
the Claremont Capital investment policy**

Patrick Kohnen

Mr. Kohnen presented a draft investment policy statement to the Trustees for review and possible approval. The board discussed potential limitations on assets and requested further review. Mr. Townsend noted that NAPEBT's legal counsel was in the process of reviewing the proposed policy. Mr. Townsend also agreed to send a request for nominees for a sub-committee to review and provide a formal recommendation to the Trustees. Mr. Kohnen offered to attend the sub-committee meeting should the board desire his assistance. Mr. Kohnen also advised that once the final policy was approved, he would work with Ashton Tiffany to complete the account set-up.

No action was taken.

**E. Discussion and possible board action on
the Segal Shape utilization report**

Amy Girardo
Richard Ward

Mr. Ward presented the Segal shape utilization report to the Trustees. Segal's data repository system could be used to collect and analyze NAPEBT member data from all vendors in order to assist in monitoring and making informed program decisions based on the Pool's unique utilization and cost patterns. Mr. Ward advised that the system could be up and running in one to two months depending on the ability to obtain data from Vera. He noted Segal was already receiving data directly from BCBS, CVS, and Delta Dental.

Ms. Wittekind questioned how long it would take to develop reports once set-up. Mr. Ward advised this could be completed within a week or two.

Mr. Coughenour asked if any analysis could be provided comparing the current programs verses prior to opening the Vera Clinic and Mr. Ward noted this would be dependent on the data received.

Mr. Ward advised the proposed price was \$24,000 annually and noted the Pool could reduction of 1 to 2 percent off trend due the ability to monitor and make more informed program decisions. Mr. Dille asked if the program pricing was contemplated in the current budget and Ms. Girardo advised this was not. Mr. Dille then proposed the Trustees hold off making a decision during the meeting and discuss it again during the November retreat for possible implementation January 1, 2017.

No action was taken.

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**F. Discussion and possible board action on
the Segal communications presentation**

**Amy Girardo
Jennifer Schuster**

Ms. Schuster presented Segal's Mobilebene application for consideration by the Trustees. The intent of the program was to offer a mobile friendly web-based resource to the plan participants in order to access NAPEBT plan details, group ID numbers, and vendor contact information. There would no firewall and a login and password would not be required.

Ms. Schuster advised the initial implementation cost was \$30,000 and included an enrollment guide for the Pool members and two post cards. She stated that the second year the renewal fee would be \$8,000. In addition, the fee to host the site was \$250 monthly.

Ms. Girardo confirmed that they host the site and will do all postings. She advised she would also clarify the costs for the customized enrollment guides.

Mr. Dille questioned why NAPEBT would want to have two websites for participants to access information from, in addition to multiple online enrollment systems that store some agencies data.

Ms. Girardo advised that Segal had been working with NAPEBT's current website vendor to develop a new platform; however, that platform did not have the ability to offer a mobile application. She suggested the Segal team inventory the documents on the current website in order to assess duplication with the mobile application, research the ability to mobilize the current website, and provide a summary and cost comparison at the November meeting.

The board of Trustees agreed to put the current website development on hold until further review and discussion.

No action was taken.

**I. Discussion and possible board action on
the Vantagen contract**

**Mike Townsend
and Bob Kuhn**

Mr. Townsend and Mr. Kuhn lead a discussion regarding the Vantagen contract. The members had mixed satisfaction with the system operations. Mr. Kuhn agreed to bring back the former enrollment sub-committee to review other options. Mr. Ashton also offered that Ashton Tiffany would be happy to share any findings from a similar project.

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No action was taken.

G. Discussion and possible board action to consider the Summit Fire District request to join NAPEBT **Shannon Anderson**

Ms. Anderson introduced Mr. Bills and Ms. Gioria from the Summit Fire District. They presented a request for consideration by the Trustees to join NAPEBT. Ms. Anderson advised the Trustees that the District had a two-year IGA with the City of Flagstaff, which was through December of 2017, and at this time, there were no indications the agreement would not be renewed. She informed the board that the District has 37 employees with the potential of 40 by the start of the new plan year. Mr. Bills advised the District was looking for a start date if July 1, 2017 and would like to know as soon as possible in order to meet the January 1, 2017 termination notice requirement with their current program.

Ms. Girardo and Mr. Ward advised that they would need five years of claims data, if available, and would present the analysis to the Trustees for review at the November retreat.

No action was taken.

J. Discussion and possible board action on the wellness update **Katie Wittekind**

This item was tabled. Ms. Wittekind will present a wellness update to the board of Trustees at the October board meeting.

No action was taken.

K. Discussion and possible board action on the evaluation process of the wellness program manager **Mike Townsend**

Mr. Townsend reviewed the prior survey questions issued for the evaluation process of the wellness program manager and asked the board of Trustees for any changes/recommendations. He noted that Ashton Tiffany would issue the survey and the results would be finalized in February for discussion at the April meeting.

Mr. Townsend advised he would work with Ms. Wittekind to review current goals.

No action was taken.

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**L. Discussion and possible board action on
the Authority Matrix**

Lori Jundt

Ms. Jundt presented the Authority Matrix. She also requested the authority for Ashton Tiffany accounting staff to transfer investment funds between bank accounts.

Ms. Jundt advised the Trustees that a process had been established with Mr. Townsend that for the first few months Ashton Tiffany would send all invoices to him for review and approval for payment; all future payments would then be subject to the designated authority levels as outlined in the matrix.

Unanimous approval by the Trustees to accept the Authority Matrix with the modification as presented.

**M. Discussion and possible board action to approve
the meeting project plan for 2016/2017**

Jennifer Gabriel

Ms. Gabriel presented the project plan. The Trustees requested modifications and she advised the plan would be updated prior to the next meeting.

**N. Discussion and the review of the action items and
the timeline**

Tracy Foss

Ms. Heidersceidt to provide utilization trend reports for the October meeting two weeks prior for review.

Mr. Kuhn will research opportunities to provide workers' compensation awareness training.

Mr. Townsend will establish a sub-committee to review and provide final recommendation on the investment policy. Ms. Wittekind will follow up with counsel for their comments as well. Once complete, Ms. Girardo will schedule a telephonic meeting for the Trustees to review and approve.

Mr. Myrvold will provide Ms. Girardo with copies of utilization reports for distribution by agency, as well as specific utilization related to epipen and behavioral health. He will also research number of call opt-outs by member.

Ms. Girardo will review opioid criteria under the current Administrative Plan and recommend changes, if any.

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Ms. Girardo will include CVS program options for review at November retreat.

Ms. Girardo to coordinate communications to plan participants regarding implementation of CVS's dermatology management program, as well as required prior authorization for diclofenac gel.

Ms. Girardo and Mr. Townsend will address clarification of any Pool requirement related to ACA ruling 1557.

Ms. Girardo will include the Segal Shape reporting option for review at the November retreat.

Ms. Girardo and Ms. Schuster to review NAPEBT's new website platform and provide a program comparison of the Segal mobile application for review at the November retreat, including any costs to mobilize the existing website. Ms. Girardo will also include clarification of costs for customized open enrollment materials by member.

Mr. Kuhn will reestablish the sub-committee to review the enrollment systems and provide an update at the November meeting.

Ms. Girardo will obtain historical loss data for the Summit Fire District and provide an analysis at the November meeting.

Each member will email Ashton Tiffany any changes to the Wellness Program Manager survey and Ashton Tiffany will complete the survey in February for review at the April meeting.

Mr. Townsend will work with Ms. Wittekind on review of goals.

Ms. Jundt will finalize the changes to the Authority Matrix and coordinate establishment of the investment accounts with Claremont Capital.

Mr. Townsend will follow up with counsel regarding bylaw recommendations.

- 4. EXECUTIVE SESSION: None**
- 5. CURRENT EVENT SUMMARIES/ANNOUNCEMENTS: None**
- 6. NEXT REGULAR MEETING: October 20, 2016**
- 7. ADJOURNMENT-3:18 p.m.**