

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST
MEETING MINUTES
FEBRUARY 19, 2020**

A meeting of the board of trustees of the Northern Arizona Public Employees Benefit Trust (NAPEBT) was held on February 19, 2020 at FUSD Administration Office, 3285 E. Sparrow Ave., Flagstaff AZ 86004.

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

Shannon Anderson	City of Flagstaff
Jami Van Ess	Coconino County Community College
Erika Philpot	Coconino County
Bob Kuhn	Flagstaff Unified School District

The following Alternate Trustees were present:

Jennifer Caputo	City of Flagstaff
Rosa Mendoza-Logan	Coconino County Community College

The following consultants/vendors were present:

Amy Girardo	Segal
Jennifer Darnall	Ashton Tiffany
Garrett Mahoney	Ashton Tiffany
Lori Jundt	Ashton Tiffany
Julie Almond	Vera Whole Health (telephonically)
Tyler Anderson	Vera Whole Health (telephonically)
Marina Teach	Vera Whole Health

The following guests were present:

Daniel Logan	City of Flagstaff
Danielle Tiedeman	City of Flagstaff
Dawn Anderson	Flagstaff Unified School District
Katie Wittekind	Coconino County (Wellness)
Jeanie Confer	Coconino County Accommodation School District
Maggie Arellano	Coconino County
Margaret Penado	Coconino County
Lynn Hill	Northern Arizona Intergovernmental Transportation Authority

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1. CALL TO ORDER **9:04 a.m.**

2. APPROVAL OF AGENDA

The agenda for February 19, 2020 was approved by the board.

3. MINUTES

A motion was made to approve the minutes for January 23, 2020.

Bob Kuhn, moved
Rosa Mendoza-Logan, seconded
Motion passed

4. ACTION ITEMS

A. Discussion and possible board action/approval on vendor items

a. Segal

i. Monthly medical/pharmacy report

No update provided due to timing of the meeting.

ii. Trust renewals of health and welfare plans

Ms. Girardo presented the BCBSAZ stop loss renewal. She stated that Segal staff, Shannon Anderson, and Dean Coughenour met with BCBSAZ. Ms. Girardo informed the board that the proposed BCBSAZ stop loss renewal was a rate pass for the 2020/2021 plan year. In addition, BCBSAZ offered a one-year premium credit–eligible agreement on the SSL to allow NAPEBT to share in positive performance.

No additional renewal updates were provided; other renewal matters remain as presented at the previous meeting.

Ms. Anderson stated all renewals for the 2020/2021 plan year were a rate pass, with the exception of a slight increase for the BCBSAZ administrative fee.

A motion was made to approve the 2020/2021 Trust renewal and health and welfare plans.

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Erika Philpot, moved
Bob Kuhn, seconded
Motion passed

- iii. 2020/2021 self-funded budget projection and contribution rate-setting, plan design, and reserves

Ms. Anderson stated that there were no changes to the budget projection and contribution rate-setting other than the savings from the rate pass on the stop loss renewal.

Ms. Girardo presented the 2020/2021 plan changes and contribution rates, assuming a 5.79% rate increase.

Ms. Girardo presented the options for HSA-qualified high deductible health plan (HDHP) coverage of preventive care services for certain chronic conditions (medical). The board agreed to provide these coverages at 100%, with no cost to the plan participant.

A motion was made to approve the plan design changes and contribution rates, with a 5.79% increase for the 2020/2021 plan year.

Erika Philpot, moved
Jami Van Ess, seconded
Motion passed

Subsequently, Ms. Girardo noted to the board that the rates in the board materials may need to be updated to reflect the 5.79% increase. She stated that she would verify the contribution rates and present final rates at the next Trust Board meeting.

B. Discussion and possible board action/approval on committee updates

a. Clinic Committee: Bob Kuhn

- i. Committee minutes

The minutes for January 22, 2020 were provided to the board for reference.

- ii. Vera update

Ms. Teach presented an update on Vera Clinic through January 31, 2020. The

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update included the clinic dashboard, new staff announcements, five-year strategic priorities, and member engagement statistics.

b. Finance Committee: Jami Van Ess

i. Committee minutes

Ms. Van Ess presented an overview of the February 2020 minutes.

ii. Quarterly financial statements

Ms. Jundt presented the preliminary financial dashboard and financial statements for the period ending December 31, 2019. Total assets were \$10,949,954, consisting primarily of cash and cash equivalents. Total liabilities were \$5,155,824. Total net assets as of December 31, 2019 were \$5,794,140.

iii. Revised authority matrix

Ms. Anderson presented the proposed authority matrix to the board. The board discussed and agreed to the various proposed changes for contracts, and also agreed to consider a final version for approval at the next meeting.

iv. 2020/2021 budget suggestions

Ms. Van Ess presented an overview of the 2020/2021 budget modifications, which included the following:

- savings recognized from the favorable BCBSAZ stop loss renewal;
- revised investment income; and
- wellness expenses.

Ms. Wittekind presented an overview of the proposed wellness expense reductions.

Ms. Van Ess stated that the Finance Committee was comfortable with the proposed 20 percent reduction, with the exception of the change in marketing expense. She suggested that NAPEBT take advantage of the various marketing areas for NAPEBT as a whole. Ms. Philpot recommended reducing the marketing budget in consideration of the projected budget shortfall for the 2020/2021 plan year.

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Ms. Van Ess and Ms. Anderson will work with Segal on the proposed budget modifications and prepare a revised version for board consideration.

Ms. Van Ess distributed the June 30, 2019 independent financial audit.

c. Benefits Committee: Shannon Anderson

i. Committee minutes—none

Ms. Anderson provided a verbal update on the following:

- open enrollment materials;
- open enrollment preparation;
- compliance document;
- retiree phase-out; and
- disability RFP.

d. Wellness Committee: Katie Wittekind

i. Committee minutes—January 10 and 24, 2020

Ms. Wittekind provided an overview of the January minutes.

ii. Budget review

Ms. Wittekind provided an update on the wellness spend for the 2019/2020 plan year.

iii. Awardee presenter from each NAPEBT agency

Ms. Wittekind led a discussion regarding the awardee presenters for the wellness awards and asked for confirmation of final presenters for the agenda.

e. Risk Management Committee: Margaret Penado

i. Committee minutes—none

C. Discussion and possible board action/approval on vendor items

a. Segal

i. Stop loss renewal

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This item was discussed and addressed under item 4.A.a.ii.

ii. Summary of changes effective July 1, 2020

This item was discussed and addressed under item 4.A.a.iii.

iii. Compliance and industry changes and trends

Ms. Girardo presented the Affordable Care Act dollar amounts and percentages for 2020; health and fringe benefit provisions in the Consolidated Appropriation Act, 2020; and news and strategies for health plan sponsors.

D. Discussion and possible board action/approval on other items

a. Conflict of interest statements

Ms. Anderson presented the conflict of interest statements (and policy) and requested that board members execute the document and return it to her.

b. Segal evaluation and contract

Ms. Anderson presented the 2019/2020 Segal evaluation and discussed the comments with the board.

E. Informational to/from

- Ms. Anderson updated the board on the Health Equity/Nationwide integration. Ms. Penado further stated that BCBSAZ will be offering a similar product in October 2020 called MyBlue Savings.
- Ms. Anderson confirmed that the June meeting will be held on June 10, 2020.

F. Discussion and possible board action/approval on meeting wrap-up items

a. 2019/2020 meeting project plan

Ms. Darnall presented the proposed project plan for the upcoming March meeting.

b. Review of action items and timeline

Mr. Mahoney presented the list of action items, which included the following:

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- Ms. Anderson will prepare the discussed authority matrix changes for review and approval at the March 26, 2020 board meeting.
- Ms. Teach will contact Ms. Van Ess regarding the possible sale of certain clinic-owned medical equipment.
- Ms. Girardo will confirm the 2020/2021 contribution rates and present the final rates during the next Trust Board meeting.
- Ms. Anderson will contact Ms. Van Ess to coordinate proposed budget changes and search for additional cost saving opportunities.
- A representative from the City of Flagstaff will follow up with Ms. Wittekind regarding the presentation of awards at the wellness awards ceremony.
- Ms. Wittekind will add all NAPEBT board members to the meeting invitation for the wellness awards ceremony and resend the calendar invitation.
- Board members from each agency will sign the provided conflict of interest statements and give them to Ms. Anderson for retention.

G. SPECIAL COMMITTEE MEETING

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

Shannon Anderson	City of Flagstaff
Jami Van Ess	Coconino Community College
Erika Philpot	Coconino County
Bob Kuhn	Flagstaff Unified School District

The following Alternate Trustees were present:

Jennifer Caputo	City of Flagstaff
Rosa Mendoza-Logan	Coconino Community College

The following guests were present:

Kim Aringdale	Flagstaff Unified School District
Daniel Logan	City of Flagstaff
Danielle Tiedeman	City of Flagstaff
Dawn Anderson	Flagstaff Unified School District
Katie Wittekind	Coconino County (Wellness)
Lynn Hill	Northern Arizona Intergovernmental Transportation Authority
Jeanie Confer	CCASD
Margaret Penado	Coconino County

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Maggie Arellano

Coconino County

1. Call to order 11:50 a.m.

2. Questions from RFP vendors pre-proposal meeting

- a. Question: We thoroughly read the request for proposal, and the Scope of Services appears to be services the Trust would receive from a qualified, full-service employee benefits consultant. Is there a reason why the Trust is not going out to bid for full Employee Benefits Consulting as opposed to the current RFP request? If the Trust feels the RFP has a specific purpose other than the one referenced above, can you please define the difference?

Answer: The NAPEBT Board is looking for an independent evaluation to determine if we are leveraging time and monetary resources to the best of our ability. This process will serve as a check and balance by an individual or organization that is not familiar with the Trust or it's processes.

- b. Question: Does VERA send encounter data to BCBSAZ?

Answer: No.

- c. Question: Provide written recommendation for funding arrangement(s) and plan design(s) that will provide the most cost-effective and efficient way in which to sponsor health insurance benefits for employees and retirees. *With each recommendation, provide cost estimates over time – 5 years, 10 years. Question: What is NAPEBT looking for in this requirement?

Answer: This information will be used by the Trust members for implementation consideration, design future procurement scopes of work, compare to other purchasing arrangements and trend comparison.

- d. Replace "Appendix F" with "general background".

- e. Question: What are the historical Stop Loss Rates?

Answer: FY2016 – Individual Stop Loss Deductible \$275,000; FY2017 – Individual Stop Loss Deductible \$300,000; FY2018 – Individual Stop Loss Deductible \$300,000 and added Aggregate Stop Loss Deductible \$300,000; FY2019 – Individual Stop Loss Deductible \$300,000 and Aggregate Stop Loss Deductible \$300,000

- f. Question: Provide three years of utilization reports?

Answer: Requested from BCBSAZ.

3. Final list of evaluation committee members

- a. Katie Wittekind
- b. Bob Kuhn
- c. Dawn Anderson
- d. Rosa Mendoza-Logan & Dietrich Sauer
- e. Jami Van Ess

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- f. Margaret Penado & Erika Philpot
- g. Heather Dalmolin & Lynn Hill
- h. Jeanie Gallagher & Jennifer Caputo
- i. Daniel Logan
- j. Shannon Anderson

4. Adjournment 12:35 p.m.

H. EXECUTIVE SESSION

I. NEXT REGULAR MEETING: March 26, 2020

J. ADJOURNMENT: 2:15 p.m.

DRAFT