

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST
MEETING MINUTES
May 16, 2019**

4. ACTION ITEMS

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

a. Clinic Committee

Bob Kuhn

Mr. Kuhn verified that he has the clinic lease ready to be signed.

Ms. Van Ess requested that the name be changed on the lease to the Trust chair, Mike Townsend, and that he sign the lease renewal.

i. Committee minutes (none)

No committee minutes.

ii. Vera update

Julie Almond

Ms. Almond presented the clinic update, including monthly appointments, clinic dashboard, and comments left by clients.

Mr. Kuhn asked if there were still problems with people getting appointments at the clinic. Ms. Teach indicated that the problem only occurs when specific doctors are requested, and their schedules are full.

No action was taken.

b. Finance Committee

Jami Van Ess

i. Committee minutes (for review only)

ii. Quarterly Budget Review

Lori Jundt

Ms. Jundt presented the total assets, total accounts receivable, total fixed assets, other assets, total liabilities, net assets, year-to-date contributions, loss expense, wellness expenses, administration fees, other operating expenses, wellness center expenses, other income, and increase in net assets.

No action was taken.

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iii. Capitalization Policy

Jami Van Ess

Ms. Van Ess explained that the capital asset policy covers assets only, as in standard office equipment. Ms. Van Ess requested that all trust board members review the capital asset policy and send all comments back to her by July.

Ms. Van Ess indicated that the Claremont Capital investment contract is ready to go through Ashton Tiffany for review and should be brought back to the next board meeting.

Ms. Van Ess indicated that the budget procedure is also in the works and should be ready for review soon.

No action was taken.

c. Benefits Committee

Jennifer Caputo

i. Committee minutes (for review only)

Ms. Caputo reported that the administration manual will be brought to the June board meeting for final approval and that the Trust manual will be sent out to everyone.

No action was taken.

d. Wellness Committee

Katie Wittekind

i. Committee minutes (for review only)

Ms. Wittekind indicated that the budget was approved at the monthly wellness committee meeting, and that the biometric screening will be ready for next year.

ii. Strategic plan

Ms. Wittekind reviewed the wellness strategic plan in the board book, including the preliminary numbers showing that over 2,000 people have earned at least one incentive point. She noted that terminated employees had not been removed from these findings. Ms. Wittekind informed the board that the wellness program has grown by more than 400 participants in the past year.

Ms. Penado recommended creating different due dates for participant sign-up.

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Ms. Wittekind agreed to take the recommendation back to the wellness board for further discussion.

No action was taken.

e. Risk Management Committee

Dean Coughenour

Mr. Coughenour indicated that there was nothing new to report.

No action was taken.

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

a. Segal

Amy Girardo

i. Monthly medical/pharmacy report

Quentin Gunn

Mr. Gunn presented an overview of NAPEBT's claims, expenses, and contributions for the period ending March 31, 2019. Key observations from the report included the following:

- Claims and expenses exceeded contributions by approximately \$657,000 for the month ending March 31, 2019.
- Through March 2019, total enrollment was approximately the same as the prior plan year's average.
- There were 13 claimants with incurred claims in excess of \$150,000, 4 of whom appeared on the report for the first time.
- The plan's rolling net medical trend was 6.2%, and the plan's rolling net pharmacy trend was 11.2%.
- Wellness payouts for the year totaled approximately \$192,000.

Ms. Girardo suspects April will "eat up" the surplus.

Mr. Gunn expects another pharmacy rebate by the end of the year.

No action was taken.

ii. Compliance and industry changes and trends

Amy Girardo

Ms. Girardo highlighted the following industry changes and trends:

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- a \$2,800 increase in insulin spending in a four-year span;
- large price variation among network providers;
- bundled payment arrangements;
- stop-loss coverage; and
- replacing rebates with point-of-sale discounts.

No action was taken.

iii. Retiree plan option

Quentin Gunn

Mr. Gunn presented the monthly and annual cost difference between NAPEBT and ARS rates. Mr. Coughenour questioned whether or not the ARS rates show the monthly premium rates with stipends applied. Ms. Girardo indicated that neither the NAPEBT rates nor the ASRS rates had stipends applied, so it was essentially a wash.

Mr. Kuhn stated that he would like to see more options for retirees, including United and Blue Cross Blue Shield. He requested that all committees determine the impact of retirees they will have in the next two years. Mr. Coughenour indicated that the change should be in a phased approach to avoid disruption as much as possible. Mr. Kuhn stated that the board will come back to the retiree plan option when Segal gathers more option information and Mr. Townsend is present in order to make a motion.

No action was taken.

iv. Employer Health implementation

Amy Girardo

Ms. Girardo informed the board that the Employer Health contract and contacts will change beginning on July 1, 2019. The new contact names are Ed and Christine. There will be no other changes, including ID cards.

No action was taken.

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

a. KVID joining NAPEBT

Bob Kuhn

Mr. Kuhn indicated that KVID has been a part of the county but will be separated as its own entity on July 1, 2019. A motion is required to accept KVID into NAPEBT as a separate entity.

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Jami Van Ess motioned, Margaret Penado seconded, motion approved to accept KVID into NAPEBT as a separate entity.

b. Future NAPEBT contracts, cooperative options and trust structure

Bob Kuhn

Mr. Kuhn stated that he had talked to Mr. Townsend about broadening the search for a new employee benefits pool. One option is to issue an RFP that Kairos and other entities may respond to. Ms. Girardo indicated that she had a similar conversation with Mr. Townsend that included ideas about what the best approach would be to broaden their search. Ms. Penado stated that the county has concluded that there is no reason to join Kairos.

Mr. Kuhn recommended putting together a committee to make a decision on next moves. He indicated that he would like the committee to be made up of the current NAPEBT board members. Ms. Penado requested that Ms. Philpot be on the committee in replacement of Mr. Townsend. Ms. Van Ess stated that they should be issuing an RFP every five years.

Mr. Kuhn indicated that he will set an appointment with Mr. Townsend to discuss the committee idea and the alternate representative requested for Coconino County.

No action was taken.

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

a. 2018/2019 meeting project plan

Mallory Esquibel

Ms. Esquibel presented the 2018/2019 meeting project plan and made modifications for the June meeting based on board discussion.

b. Review of action items and timelines

Garrett Mahoney

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

- The Vera building lease (Cedar West) will be given to Mike Townsend for his signature at the next meeting.

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- Board members will provide Jami Van Ess with final feedback regarding the capital asset policy, with a goal of having the policy finalized at the August board meeting.
- The Claremont Capital contract will be considered at the August board meeting.
- Bob Kuhn will discuss the structure of the RFP committee with Mike Townsend.

5. CURRENT EVENT SUMMARIES/ANNOUNCEMENTS: None

6. NEXT REGULAR MEETING: June 13, 2019

7. ADJOURNMENT: 10:45 a.m.