

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST  
MEETING MINUTES  
NOVEMBER 21, 2019**

A meeting of the board of trustees of the Northern Arizona Public Employees Benefit Trust (NAPEBT) was held on November 21, 2019 at Thornagers, 2640 W. Kiltie Lane, Flagstaff, AZ 86005.

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

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

**The following Alternate Trustees were present:**

Jennifer Caputo	City of Flagstaff
Jennifer Moore	Flagstaff Unified School District
Erika Philpot	Coconino County
Rosa Mendoza-Logan	Coconino County Community College

**The following consultants/vendors were present:**

Amy Girardo	Segal
Quentin Gunn	Segal
Melissa Krumholz	Segal
Nura Patani	Segal
Jennifer Darnall	Ashton Tiffany
Garrett Mahoney	Ashton Tiffany
Julie Almond	Vera Whole Health
Marina Teach	Vera Whole Health

**The following guests were present:**

Isabella Zagare	Coconino Community College
Dietrich Sauer	Coconino Community College
Megan Cunningham	Coconino County
James Jayne	Coconino County
Mike Townsend	Coconino County
Margaret Penado	Coconino County
Katie Wittekind	Coconino County (Wellness)
Amber Baker	Coconino County (Wellness)
Dean Coughenour	City of Flagstaff
Ginger Stevens	Flagstaff Unified School District
Dawn Anderson	Flagstaff Unified School District
Scott Walmer	Flagstaff Unified School District

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Jeanie Confer  
Lynn Hill

Coconino County Accommodation School District  
Northern Arizona Intergovernmental Transportation  
Authority

Lauree Battice

Northern Arizona Intergovernmental Transportation  
Authority

**1. CALL TO ORDER 9:08 a.m.**

**2. APPROVAL OF AGENDA**

The agenda was approved with the following modification: Move RFP for Independent Evaluation of Trust Structure and Operations under Special Committee Meeting

Bob Kuhn, moved  
Jami Van Ess, seconded  
Motion passed

**3. ACTION ITEMS**

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

**a. Segal**

- i. Discussion and possible action on reports and data presented on November 20, 2019 during the retreat

No discussion.

- ii. Preliminary medical plan budget projection

Ms. Patani recapped and clarified portions of the discussion from the previous day. Specifically, she addressed trend and contribution increase scenarios and claims progression. . In particular, she stated that Segal believes a 7.0% medical trend should be used in the projection and as the basis of rate setting. A 7.0% medical trend would result in a baseline increase to contribution rates, including the amortization component, of 7.23%. She also posed the question to the group regarding incentives related to the HDHP.

The employer groups met individually to generate ideas for HDHP incentives and shared their findings with the group. Segal provided preliminary input on the ideas shared.

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The board requested that Segal provide further analysis on the following:

- implications of lower premiums,
- cost of seed money for HSA contribution (employer vs. Trust),
- cost and administrative considerations of changing plan year to a calendar year,
- cost of preventive list per ACA for the HDHP plan, and
- cost of changing coinsurance to 90/10 in the HDHP plan.

Segal will present this information during the January 23, 2020 Trust Board meeting.

In addition, the board requested that Segal provide data from outside agencies regarding how other successful incentive programs have been implemented.

iii. Action Items from November 20, 2019

Segal presented a summary of the historical seasonality trends for all three of NAPEBT's plans. Additionally, Segal finalized the executive summary survey findings.

**b. CVS Caremark/Employer's Health contract**

Ms. Anderson led a discussion regarding the CVS Caremark/Employer's Health contract and reminded the board that the termination provision requires a 180-day notice. She further asked if anyone on the board would like to discuss the potential termination of the contract. There was no interest in terminating the agreement, and therefore no action was taken.

**c. Baker Tilly Vantagen contract**

Mr. Kuhn presented the draft Baker Tilly Vantagen contract.

A motion was made to approve the contract with the following changes:

- Coconino County will be removed, as the county no longer plans to use the services effective July 1, 2020;
- the Baker Tilly Vantagen redlined changes for the indemnification language and limits will be struck and will not be incorporated because there were no exceptions listed during the procurement process; and
- the contact information will be updated.

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In addition, the City of Flagstaff will work directly with Baker Tilly Vantagen to address the customer service issues they have been experiencing.

Shannon Anderson, moved  
Bob Kuhn, seconded  
Motion passed

**d. Supplemental programs**

Ms. Anderson led a discussion on supplemental programs. She updated the board on the status of the short-term disability RFP. Additional discussion occurred regarding cancer insurance, pet insurance, and student loan repayment insurance. These items will be addressed with the Benefits Committee.

**e. Independent evaluation of Vera Clinic**

This item was not discussed in this section of the meeting, as it is part of the RFP for Independent Evaluation of Trust Structure and Operations discussions.

**f. Consideration of Flagstaff Metropolitan Planning Organization as a participant**

Ms. Anderson stated that Flagstaff Metropolitan Planning Organization is currently a subsidiary of the City of Flagstaff, but will no longer be as of July 1, 2020. She stated that legal counsel is determining whether the new entity will be considered a political subdivision of the state, as required by the Intergovernmental Agreement and Declaration of Trust. If so, Flagstaff Metropolitan Planning Organization would like to join NAPEBT as an independent entity, effective July 1, 2020.

A motion was made to approve Flagstaff Metropolitan Planning Organization as a member of NAPEBT, effective July 1, 2020, contingent upon confirmation that the entity will be considered a political subdivision of the state.

Bob Kuhn, moved  
Mike Townsend, seconded  
Motion passed

**B. Informational to/from**

- Ms. Anderson informed the board that Mr. Gunn recently discovered that CVS is still charging for administrative fees, which no longer apply. CVS will be

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issuing a credit of \$13,518.

- Ms. Anderson informed the board that Segal had completed its review of the revised CVS formulary and agreed with the recommended changes.
- Ms. Anderson requested that each employer group bring its respective contribution strategies to the December board meeting (e.g., wellness contribution, non-wellness contribution, etc.).
- Ms. Krumholz provided an overview of the Board requested follow-up questions upon the Year 3 analysis of the Vera Clinic. Specifically, she discussed how NAPEBT compares to other groups in the Segal data warehouse (demographics, cost, relative risk), whether there are similar patterns at the other clinics along with the range of measures for clinic performance, and whether large claim activity impacted the Year 3 Vera clinic results.
- Ms. Anderson informed the board that she would not be available for the board meeting scheduled for February 27, 2020. The meeting was rescheduled to Wednesday, February 19, 2020, location to be confirmed.

**C. 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 December meeting.

**b. Review of action items and timeline**

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

- Vera will research implications of performance guarantees on contract and will determine whether an amendment to the existing contract will suffice, or if a new contract is needed.
- Ms. Wittekind requested a breakdown of type of call received on the patient help line (e.g., appointment vs. assistance). Vera staff indicated that it was unsure if this information could be obtained, but will follow up at December meeting.
- Coconino County will email Segal when a Trustee is appointed with respect to Trustee insurance policy modifications (e.g., fiduciary liability and fidelity bond).
- Segal will research information regarding surprise billing with respect to emergency room physicians at Flagstaff Medical Center and their contracts with Blue Cross Blue Shield.

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- Segal will research the age range for colorectal preventive screenings as discussed in the SHAPE report.
- Segal will provide the percentage of ER visits for musculoskeletal cases as discussed during the SHAPE report presentation.
- Segal will check the availability and indicators within the data feed from Blue Cross Blue Shield regarding whether or not encounter data for telehealth utilization is being included.
- Segal will coordinate with the Benefits Committee regarding the distribution of Blue Cross Blue Shield telehealth informational magnets to participants.
- Segal will provide modeling of various HDHP incentive options discussed during the board retreat at the regular January board meeting.
- The City of Flagstaff will follow up with Baker Tilly Vantage regarding the recent customer service representative issues.
- Ms. Anderson will provide Ms. Wittekind with new contact information for the Flagstaff Metropolitan Planning Organization and the Kachina Village Improvement District.
- Each employer group will bring its respective contribution strategies to the December board meeting (e.g., premium contributions, wellness contributions, wellness incentive payouts, etc.).

**D. SPECIAL COMMITTEE MEETING**

**a. RFP for Independent Evaluation of Trust Structure and Operations**

Call to order at 12:43 p.m.

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

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

**The following Alternate Trustees were present:**

Jennifer Caputo	City of Flagstaff
Jennifer Moore	Flagstaff Unified School District
Erika Philpot	Coconino County
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**The following guests were present:**

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Dietrich Sauer	Coconino Community College
Megan Cunningham	Coconino County
James Jayne	Coconino County
Mike Townsend	Coconino County
Margaret Penado	Coconino County
Katie Wittekind	Coconino County (Wellness)
Amber Baker	Coconino County (Wellness)
Ginger Stevens	Flagstaff Unified School District
Dawn Anderson	Flagstaff Unified School District
Scott Walmer	Flagstaff Unified School District
Jeanie Confer	Coconino County Accommodation School District
Lynn Hill	Northern Arizona Intergovernmental Transportation Authority
Lauree Battice	Northern Arizona Intergovernmental Transportation Authority

Add Trust structure as item J and include an analysis of time each organization and trustees.

In the health clinic, item F, include evaluation of ROI, utilization, cost, patient satisfaction and use offsite benchmark comparisons for the evaluation.

The group discussed the focus of this evaluation is measurement and efficiencies.

The group preferred allowing subcontractors rather than awarding to multiple contractors.

On page 53 of the document under general background, a request was made to ask about alternate models of healthcare delivery and/or innovative solutions (air ambulance, in home PT, etc.).

After the evaluation of the proposals the group would like to select the top three consultants and have an opportunity for additional inquiry as part of the best and final responses.

FUSD Procurement will make adjustments and the RFP will be provided prior to the next meeting, so the document can be finalized during the Special Committee Meeting scheduled for December 12, 2019.

Ms. Anderson to add a Special Committee Meeting agenda items to the December 12, 2019 meeting Trust meeting.

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**E. EXECUTIVE SESSION**

There was no executive session.

**F. NEXT REGULAR MEETING:** December 12, 2019

**G. ADJOURNMENT:** 1:06 p.m.

DRAFT