

**NORTHERN ARIZONA PUBLIC EMPLOYEES BENEFIT TRUST
MEETING MINUTES
DECEMBER 12, 2019**

A meeting of the board of trustees of the Northern Arizona Public Employees Benefit Trust (NAPEBT) was held on December 12, 2019 at Coconino County HR Building, 420 N. San Francisco Street, Bright Angel Room, Flagstaff, AZ 86001.

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
Jennifer Moore	Flagstaff Unified School District

The following consultants/vendors were present:

Amy Girardo	Segal
Quentin Gunn	Segal (telephonically)
Jennifer Darnall	Ashton Tiffany
Garrett Mahoney	Ashton Tiffany
Julie Almond	Vera Whole Health (telephonically)
Marina Teach	Vera Whole Health (telephonically)

The following guests were present:

Daniel Logan	City of Flagstaff
Dawn Anderson	Flagstaff Unified School District
Ginger Stevens	Flagstaff Unified School District
Katie Wittekind	Coconino County (Wellness)
Amber Baker	Coconino County (Wellness)
Jeanie Confer	Coconino County Accommodation School District
Maggie Arellano	Coconino County
Lynn Hill	Northern Arizona Intergovernmental Transportation Authority

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1. CALL TO ORDER **9:07 a.m.**

2. APPROVAL OF AGENDA

The agenda for December 12, 2019 was approved by the board.

3. MINUTES

A motion was made to approve the minutes for November 13, 2019; November 20, 2019; and November 21, 2019, with a correction to the spelling of the name “Bob Kuhn.”

Jamie Van Ess, moved
Bob Kuhn, seconded
Motion passed

4. ACTION ITEMS

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

a. Clinic Committee: Bob Kuhn

- i. Committee minutes—none
- ii. Vera update

Ms. Almond presented an update on Vera Clinic through November 30, 2019.

Ms. Almond presented additional information on the clinic’s after hours and clinic hours helplines. The board requested that Ms. Almond follow up on the help line vs. the 24-hour nurse line with respect to the administrative fees in the Vera contract.

Ms. Almond also stated that as a result of further review of invoices since inception, Vera will credit NAPEBT approximately \$75,000 for incorrect billings related to IT services, subscriptions, etc.

Ms. Almond concluded with an overview of the strategic priorities, which included wellness, acute care, disease management, and clinical quality.

b. Finance Committee: Jami Van Ess

- i. Committee minutes—none

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Ms. Van Ess indicated that the minutes from the previous meeting were not yet finalized, but provided a verbal update on the following:

- year-to-date financials;
- year-end financial audit;
- travel expense policy; and
- signature authority matrix.

c. Benefits Committee: Shannon Anderson

- i. Committee minutes—none

Ms. Anderson provided a verbal update on the following:

- Blue Cross Blue Shield plan design changes;
- disability RFP; and
- open enrollment schedules and materials.

d. Wellness Committee: Katie Wittekind

- i. Committee minutes—November 2019

Ms. Wittekind provided an update on the following:

- awards banquet (considering a keynote and requested recommendations);
- RFP for wellness site;
- Vera challenge update; and
- vendor termination (with Ms. Wittekind and Ms. Baker stepping in to fill the vacancy).

e. Risk Management Committee: Dean Coughenour

- i. Committee minutes—none

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

a. Segal

- i. Monthly medical/pharmacy report

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Mr. Gunn presented the medical/pharmacy report through October 31, 2019.

In October 2019, claims and expenses exceeded contributions (after stop loss reimbursements) by approximately \$100,000, or 3.8% of contributions.

There was no pharmacy rebate in October 2019. However, there was a pharmacy network guarantee payment of \$79,567 in addition to the administrative fee refund of \$13,518.

The year-to-date deficit is now approximately \$156,000, or 1.5% of contributions.

In October 2019, there were two claimants with combined medical and pharmacy claims paid in excess of \$150,000 (50% of the individual medical and prescription-drug-specific stop loss deductible). One of the claimants appeared for the first time on the report in October. There were also no claimants with combined medical and pharmacy claims paid in excess of \$150,000 through October 2018 of the prior plan year.

As of October 31, 2019, the plan's rolling net medical trend increased to 20.9%, and the plan's rolling net pharmacy trend decreased to 2.8%.

There have been four lump sum wellness payouts for a total of approximately \$85,000. Through October 2019, NAPEBT wellness level 1 and 2 participants earned a total of approximately \$216,000 in wellness incentives.

ii. Blue Cross plan design changes

Ms. Girardo presented options for Blue Cross plan design changes effective July 1, 2020. Each option is listed below, along with the board recommendation.

Transplants: Donors will no longer be reimbursed for travel expenses. The benefits committee did not recommend this change.

Mammography: Cost-sharing for diagnostic mammography will no longer be waived. The benefits committee did not recommend this change except for the HDHP plan which requires the change.

Breast implant removal: Medically necessary breast implant removal will be covered. This is a required change.

Emergency services: BCBS will base its reimbursement for emergency services provided by non-contracted providers on the reimbursement methodology

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allowed by the Affordable Care Act. The benefits committee did not recommend this change given the shift of emergency room expenses through balance billing to the employee or their dependent(s).

Gene therapy travel and lodging: The plan will cover travel and lodging. The benefits committee recommended this change.

Nutritional counseling and training: Diabetes will be added to the list of conditions. Additionally, benefits will be limited to six nutritional counseling and training visits per member, per calendar year. The benefits committee recommended this change.

Preventive services: This is a required change.

A motion was made to approve the plan design changes as recommended by the benefits committee effective July 1, 2020.

Erika Philpot, moved
Jami Van Ess, seconded
Motion passed

iii. **Compliance and industry changes and trends**

Ms. Girardo presented the Segal Trends report for Q4 2019, which included information on the top five cost management strategies for 2019; surprise medical billings; mental health and substance use disorders; and specialty Rx and the use of biosimilars. She also provided a comparison of the key elements of FSAs, HRAs, HSAs, and the Affordable Care Act.

b. Wellness manager survey findings

Ms. Anderson presented an overview of the wellness manager survey findings.

Ms. Wittekind requested a one-on-one evaluation of her performance in lieu of discussion at a board meeting.

Ms. Anderson stated that she would follow up directly with Ms. Wittekind.

c. NAPEBT employer contribution strategies

Ms. Anderson led a discussion regarding the NAPEBT employer contribution strategies. She stated that not all of the agencies have provided their individual

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information. The board agreed to table this item until the next board meeting.

C. Informational to/from

Ms. Anderson confirmed that the Delta Dental rates for the 2020/21 plan year will not increase.

D. 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 January meeting.

b. Review of action items and timeline

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

- Ms. Almond will follow up on the matter of the help line vs. the 24-hour nurse line with respect to the administrative fee in the contract.
- Mr. Mahoney will follow up with CLA to finalize presentation dates for the draft audited financial statements.
- Ms. Anderson will follow up on the wellness manager survey and feedback.
- Each agency will review and, if necessary, provide to Ms. Anderson, contribution strategies for discussion at the next meeting.

E. SPECIAL COMMITTEE MEETING

a. RFP for Independent Evaluation of Trust Structure and Operations

Call to order at 10:42 a.m.

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
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Lynn Hill	Northern Arizona Intergovernmental Transportation Authority
Kim Aringdale	Flagstaff Unified School District

The special committee discussed the addition of question to cover clinic, wellness and trust structure and operations. This information was listed in the introduction, but there were no specific questions asked in the mandatory requirement.

- Evaluate the Trust format, structure and support
- Evaluate dates of the plan year
- Evaluate and define the performance measures of the clinic and the ROI methodology
- Evaluate the fee structure of the off-site clinic
- Evaluate the efficiency, effectiveness and cost of advisor services
- Compare wellness incentive program to others for effectiveness and impacts

Notified special committee members that notice was received from Ashton Tiffany about not renewing the contract effective 7/1/2020. The committee members requested Shannon Anderson to follow up with Ashton Tiffany to see if they would extend the financial services of the contract for 6-12 months until another quality vendor could be identified. The committee members also agreed to following up with Segal Consulting to determine if they could resume the administrative services portion of the contract.

Kim Aringdale reviewed the information she needed to attach to the RFP

- Utilization Reports for the past three years of expenditures
- Current entity health plans
- Employer Contribution Sheets

Shannon Anderson will send the contribution sheet from the meeting packet today to Kim Aringdale.

Shannon Anderson will request a report of what has been paid to each vendor over the past three years from Ashton Tiffany.

The evaluation committee will be comprised of the Trustee and Alternate Trustee from each NAPEBT and other agency representatives, to ensure each of the NAPEBT employers has a voice at the table.

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Shannon Anderson to send Kim Aringdale notes of the additional mandatory requirements identified above.

F. EXECUTIVE SESSION

There was no executive session.

G. NEXT REGULAR MEETING: January 23, 2020

H. ADJOURNMENT: 11:20 a.m.