

ARIZONA METROPOLITAN TRUST
Draft – Minutes of Tuesday, February 14, 2023
Annual Renewal Work Session Meeting

The following Trustees were present and a quorum was met:

Grady Miller, Chairperson	Town of Fountain Valley
Crystal Dyches	City of El Mirage
Stephen Erno	Town of Wickenburg
Bryant Powell	City of Apache Junction
Rob Schmitz	Sun City Fire District
Matthew Williams	City of Litchfield Park

The following Alternate Trustees were present:

Lindsey Duncan	Town of Paradise Valley
Dawn Kurek	City of El Mirage
Tarah Mayerhofer	Town of Wickenburg
Anna McCray	City of Apache Junction
Lisa Neubert	Sun City Fire District
Susan Slagle	City of Litchfield Park
David Trimble	Town of Fountain Hills

The following consultants/vendors were present:

Ryan Benitez	Cheiron
Jake Goll	Navitus
Sheri Gordon	Gallagher Benefit Services
Mike Groeger	Blue Cross Blue Shield AZ
Bart Henderson	Delta Dental
Mike Hensley	Jones Skelton & Hochuli
Missy Jenson	Gallagher Benefit Services
Rachele Martin	Blue Cross Blue Shield AZ
Rachel McLouth	VSP
Michael Schionning	Cheiron
Kelly Schoonmaker	AmeriBen
Jaime Schulenberg	Gallagher Benefit Services
Lisa Thompson	Navitus

Call to Order

The meeting was called to order at 9:07 a.m.

1. Welcome and Introductions

Introductions were made as there were a number of new faces in attendance.

Jaime Schulenberg from Gallagher gave a brief overview of the agenda and the goals for the meeting.

Trustee Bryant Powell noted that AzMT was presented with a 10 year member award from AmeriBen at their conference held in 2022. The award was available for the Trustees to view.

2. 2022 Medical Claims and Medical Management Review

Kelly Schoonmaker from AmeriBen briefly discussed the acquisition of AmeriBen by Elevance Health Group, which is the parent company of Anthem. She noted that the integration includes a firewall between Anthem and AmeriBen and further, that she is not expecting any changes to AmeriBen's day-to-day operations. There was discussion regarding staff changes and Ms. Schoonmaker reported that she will continue with AzMT as the Senior Account Manager.

Ms. Schoonmaker provided an executive summary of the Trust's medical claims including Plan Performance, Network Utilization and Customer Care Performance.

Ms. Schoonmaker next reviewed the the Trust's medical management usage including pre-certification activity and case management. Ms. Schoonmaker reported there were a total of 30 in-patient pre-certification cases requested with medical in-patient being the most requested case type. She also reported there have been 12 case management cases opened and 12 cases closed YTD.

3. 2022 BCBSAZ Review

Rachele Martin introduced her team from BCBSAZ and introduced Mike Groeger, Vice President of Group Sales, who discussed a new direction for BCBSAZ. He reported BCBSAZ is looking to provide custom solutions for several different sectors such a plumbing, tech, and construction, in addition to developing a pooled Trust plan.

Ms. Martin re-introduced their Foundation for Community and Health Advancement approach for the Trustees and then reviewed an executive summary including network savings of 66.5%, the value of the Blues discount and plan utilization. Ms. Martin also reviewed the proposed renewal for the upcoming plan year.

4. 2022 Prescription Claims Review

Lisa Thompson and Jake Goll with Navitus provided an overview of the prescription claims through December 2022 which included an executive summary of Key Performance Metrics & Trend, Trend Drivers, Copay Max Savings, GPO Enhanced Rebate program, Covid-19 Utilization & Updates, Generic vs. Brand Utilization, Script Cost vs. Script Volume, Top 10 Drugs by Plan Paid, Top Therapeutic Categories, Average Script Cost by Volume and Specialty Prescriptions.

Discussion regarding genetic testing and prescriptions took place among the Trustees. Ms.

Schoonmaker reported that the Trust currently has language in the SPD that excludes genetic testing and prescriptions. Ms. Schulenberg reported that as a rule any new type of treatment that is introduced throughout the year would be brought before the Trustees for consideration, after being priced out by the actuary. Additionally, Mr. Goll reported that the Trust has the Copay Max program in place and these are processed through the specialty pharmacy, Lumicera. Mr. Goll discussed the enhanced program Copay Max Plus and potential additional savings for the Trust. Ms. Schulenberg reported that this is included in the 2023-24 budget.

5. 2022 Dental Claims Review

Bart Henderson with Delta Dental of Arizona provided a summary of the dental claims through December 2022 for both the basic and premium plans. Mr. Henderson reported that the Trust is on a multi-year renewal with Delta Dental through June 2024.

6. 20223 Vision Claims Review

Rachel McLouth with VSP reviewed the summary of the plan design, plan performance, including in and out of network claims, and optical purchasing trends through December 2022 for both the basic and premium plans. Ms. McLouth also reported on various medical conditions detected during eye exams including hypertension, diabetes, hHigh cholesterol and diabetic retinopathy, among others.

Ms. McLouth also reported on trending programs offered by VSP at an additional cost to help maximize the benefits; these included the VSP Premier Program, VSP Easy Option and Kids Care. Ms. Schulenberg noted that these options were included for Trustee consideration as part of the budget building process.

7. 2022 Telemedicine Review

Joe Decker with Teladoc reviewed the utilization report through December 2022 which included information for general medical claims savings and member activity, as well as the dermatology and nutrition programs. Mr. Decker reported that the Plan had a 20.6% utilization for the year, savings of \$90,901, and member satisfaction at 83%.

Mr. Decker reviewed the renewal proposal, which is a rate pass, however, noted that the consultation fee was increasing from \$50 to \$55.

Discussion ensued regarding any type of marketing opportunities that are available to increase utilization and Mr. Decker offered to work with Gallagher and AzMT member entities to increase awareness and help promote the benefit.

8. 2022 EAP Review

Ms. Schulenberg reported that representatives from Supportlinc were invited to review their presentation, however, due to corporate travel rules they were unable to attend. A copy of the Employee Assistance Program report and presentation through December 31, 2022 was provided in the meeting materials.

9. 2022 Wellness Review

Missy Jensen, Senior Wellbeing Consultant, reviewed the 2022-23 wellness programs, preventive screenings and services, Livongo for Diabetes, and Omada for weight-loss.

Ms. Jensen reported that the Wellness Subcommittee agreed on the creation of a matrix to determine the success of the programs; she created a 2%+ engagement goal year over year, which was developed based on Healthy People 2030 recommendations.

Ms. Jensen reported that in 2023-24 Plan Year she is recommending the addition of Virgin Plus. The recommendation is primarily due to the under usage of the Livongo and Omada programs, as well as limited participation in the MoveSpring initiative and the overall goal of providing a healthier workforce. She reviewed the pricing (implementation and annual fee) for two different Virgin Pulse options, Engage and Ignite, and noted that the dissolution of Livongo, Omada and MoveSpring will assist in the overall goal for the wellness program and reduction of costs to implement the new Virgin Pulse program. She introduced Bree Leyer, from Virgin Plus, to speak to the Trustees regarding the program.

Bree Leyer gave a brief overview of both the Engage and Ignite programs offered through Virgin Pulse, which allows employees the opportunity to earn points based on participation in many areas such as coaching, healthy habit tracking, financial guidance, nutrition, daily card reminders, and challenges (walking, drinking water, hours slept) with co-workers, which are all based on the individual employee's interests. The program offers access via smart phone or computer and is very user friendly. The points are earned on a quarterly basis which can be used by the employee to spend at Virgin Pulse online store.

12:00 p.m. Lunch

1:36 p.m. Return from Lunch

10. Trustee Training

Michael Hensley, the Trust's legal counsel, provided annual training on Open Meeting Law, Fiduciary Obligations and HIPAA.

11. Review of the Trust Financial Status as of December 31, 2022

Sheri Gordon from Gallagher reviewed the Trust's financial performance through December 2022, which reflected the impact of the departure of Pinal County and Avondale as of June 30, 2021. Ms. Gordon reported that as of December 31, 2022, the Trust was in an excellent financial position.

Ms. Gordon went on to review a number of comparison graphs, including a three-year claims comparison, All Year's Cash Position for 2017-18 through 2022-23 YTD, Surplus History versus Goal for 2018-19 through 2022-23 YTD, various claim line graphs and an overview of large claims. Alternate Trustee Tarah Mayerhofer suggested that the Trustees consider the dissolution of the EPO Plan due to utilization versus cost. Ms. Schulenberg confirmed that the dissolution of the EPO Plan would not affect the overall funding factors. It was determined to discuss further during the budget building discussion.

12. Recommended Claim Funding Rates for 2023-24 and Pricing of Benefit Change Options

Michael Schionning, AzMT's actuary, announced his retirement and introduced Ryan Benitez as newly assigned actuary from Cheiron. He assured the Trustees he would be available for any assistance needed. Mr. Benitez introduced himself and gave a brief summary of his background.

Mr. Benitez, reviewed the rate development, proposed claim funding rates, proposed benefits changes, projection methodology and plan experience.

Discussion ensued regarding the surplus/reserve goal for AzMT. Ms. Schulenberg reported that the surplus/reserve goal was set by the Finance Subcommittee based off of recommendations and information provided by the actuary and then presented to the Trustees for approval. It was noted that the Surplus goal is currently 5 months of budget.

13. 2023-24 Renewal Discussion and Budget Building

Ms. Schulenberg reviewed the proposed 2023-24 budget, noting that she used the .4% funding factor recommended by the actuary, which excludes COVID hospitalization claims. The draft budget also included the following the following benefit changes:

- Increase HDHP Deductible and Max Out-of-Pocket from \$2,900/\$5,800 to \$3,000/\$6,000 due to IRS Guidelines;
- Add coverage for methadone treatment at a methadone treatment facility;
- Updated Preventative Guidelines; and
- Addition of the Navitus Co-Pay Max Plus Program.

Ms. Schulenberg reported that when combined with the funding factor, recommended benefit changes and vendor fees, the average premium increase is 1.4% for Medical/Rx.

Ms. Schulenberg further reviewed the various components of the budget, including vendor renewal proposals.

Trustees discussed a number of different benefit changes which they agreed to review in further detail during the Trust meeting the following day. They requested that Ms. Schulenberg develop rates that reflected a 1% increase to the proposed rate as well as a flat 3% increase.

14. Call to the Public

There were no comments from the public.

15. Adjourn

The meeting adjourned at 4:02 p.m.

Respectfully Submitted,
Sheri Gordon
Recording Secretary