

ARIZONA METROPOLITAN TRUST
Minutes of Tuesday, February 13, 2024
Annual Renewal Work Session Meeting

The following Trustees were present and a quorum was met:

Matthew Williams, Chairperson	City of Litchfield Park
Jeanne Blackman	Town of Youngtown (after lunch)
Mark Burdick	Buckeye Valley Fire District
Stephen Erno	Town of Wickenburg
Bryant Powell	City of Apache Junction
Rob Schmitz	Sun City Fire District

The following Alternate Trustees were present:

Dawn Kurek	City of El Mirage
Tarah Mayerhofer	Town of Wickenburg
Anna McCray	City of Apache Junction
Gina Monger	Town of Paradise Valley
Lisa Neubert	Sun City Fire District
David Trimble	Town of Fountain Hills

The following Consultants/Vendors/Guests were present:

Lisa Adams-Williams	City of Litchfield Park
Ryan Benitez	Cheiron
Jennifer Clatfelter	SupportLinc
Ann Coupland	Delta Dental
Jake Goll	Navitus
Sheri Gordon	Gallagher Benefit Services
Jinnett Hancock	Town of Fountain Hills
Mike Hensley	Jones Skelton & Hochuli
Rachele Martin	Blue Cross Blue Shield of AZ
Laura Montini	Gallagher Benefit Services
Michael Reich	Cheiron
Kelly Schoonmaker	AmeriBen
Jaime Schulenberg	Gallagher Benefit Services
Lisa Thompson	Navitus
Pam Vannoy	AmeriBen

Call to Order

The meeting was called to order at 9:17 a.m.

1. Welcome and Introductions

Chairman Matthew Williams welcomed everyone to the meeting and began with introductions of each attendee.

Ms. Schulenberg provided a brief overview of the agenda and the goals for the meeting.

2. 2023 Medical Claims and Medical Management Review

Kelly Schoonmaker provided an executive summary of the Trust's medical claims including the Plan Performance, Network Utilization and Customer Care Performance. Ms. Schoonmaker reported the Network continues to perform well; and as a result is experiencing a savings of 66.01% through the BCBSAZ network.

Pam Vannoy reviewed the details outlined in the executive summary which provides the Trust's medical management usage including pre-certification activity and case management. Ms. Vannoy reported there were a total of 33 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. 2023 BCBSAZ Review

Rachele Martin reviewed the executive summary and reported that the Trust had network savings of \$19,322,762, which represents an overall discount of 67.5%.

Mr. Martin discussed the ongoing contract negotiations with Dignity Health and reported that more information will be provided as the process unfolds.

4. 2023 Prescription Claims Review

Lisa Thompson and Jake Goll with Navitus provided an overview of the prescription claims October 1, 2022 through September 30, 2023 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, Specialty Prescriptions.

Mr. Goll reviewed the upcoming biosimilars, as well as the current and future initiatives regarding their removal and ongoing commitment by Navitus to offer the lowest net cost while also considering the impact on the lowest net cost of other products.

Mr. Goll reviewed a summary of recommendations including Sword Health, Virta Health and Nom for Work. Discussion ensued regarding the Sword program and the interest from the Admin Group and a demo they reviewed as requested, which had been facilitated by the Gallagher Wellbeing Consultant, Laura Montini. More discussion will take place during the Wellness portion of the meeting regarding Sword.

Mr. Goll reviewed his report for the Trustees on coverage for weight loss drugs. He also discussed the potential issues and risks with regard to side effects and potential long-term costs as the products increase in popularity and recommended that the Trust keep a watchful eye and wait to

see how these products continue to evolve.

5. 2023 Dental Claims Review

Ann Coupland with Delta Dental of Arizona provided a summary of the dental claims through December 2023 for both the standard and plans. Ms. Coupland also reported that the in-network usage was excellent among AzMT members at 99.0% for both plans. Ms. Coupland reviewed the renewal information for Trustees which reflects a 9% increase with a two-year rate guarantee.

Ms. Schulenberg reported that changes to the dental benefits were priced by the actuary and would be discussed in more detail during the budget building process.

6. 2023 Telemedicine Review

Ms. Schulenberg reported that the representative from Teladoc was invited to review their presentation, however due to their flight being cancelled they were unable to attend. A copy of the Teladoc report through for 2023 was provided in the meeting materials.

7. 2023 EAP Review

Jennifer Clatfelter provided an executive summary for annual utilization for 2023. She reviewed the utilization summary, program engagement by category, program access by source, demographic/statics, and presenting concerns/issues. Ms. Clatfelter reported that the EAP will provide a rate pass for the Trust for another three (3) years, through 2026-27.

Ms. Clatfelter expressed her overwhelming desire to ensure that all the entities had all the marketing options available from Supportline and looked forward to working with each entity to significantly improve utilization in the EAP program.

Lastly, Ms. Clatfelter reviewed trends, highlights and recommendations for the upcoming plan year25.

8. 2023 VSP Review

Ms. Schulenberg reported that the representatives from VSP were not able to attend the renewal meeting, however, they provided a presentation and report which was included in the meeting packet.

Ms. Schulenberg reported that changes to the vision were priced by the actuary and would be discussed in more detail during the budget building process.

9. 2023 Wellness Review

Laura Montini, Wellbeing Consultant, reviewed the wellness programs, preventive screenings and services and Virgin Pulse implementation.

Ms. Montini reported that participation reflects a mixed bag, with some increases in participation and some decreases. She reported that the on-site Mammogram screenings are the most attended on-site event, followed closely by the Cardiac and Organ screening. This year we are

seeing the steepest increase in participation with the Health Risk assessment. Ms. Montini reported that the area of concern for this year is the decrease in participation with many on-site screenings and on-site vaccinations. Her concern is based off of additional fees associated with minimum participation not being met and additional fees charged to the Trust.

Ms. Montini discussed the implementation of the Virgin Pulse program, which has had a 20% enrollment and 69% engagement for those employees. She reported that the enrollment has continually increased since the launch in July 2023 and confirmed that engagement is above the benchmark.

Ms. Montini reviewed several areas of opportunity for the Trustees to implement programs and resources to better serve AzMT. Currently, there are four (4) areas of focus, Musculoskeletal Disorders, Neoplasms, Circulatory Disorders and Mental & Behavioral Disorders, and outlined the current solutions and future opportunities to address these areas of concern. Ms. Montini discussed the following programs for the Trustees information and discussion:

- Hearing Tests – The vendor that performs the Cardiac and Organ screenings each year, has the capability to offer acoustic reflex screenings. The cost to be added to the current cardiac and organ screening is an additional \$20 per participant.

Sword Health – Ms. Montini reported that several members of the Admin Group requested and participated in a demo for the Sword program earlier in the month which incorporates both Thrive (physical therapy) and Bloom (pelvic health solution). This program would help address the issues with Musculoskeletal Disorders through virtual physical therapy, education, and real time treatment. The pricing is utilization-based and capped at \$1,000 per member per year.

As a result of discussions with the Admin Group and Wellness Subcommittee, as well as her review of the areas of concern to the Trust, Ms. Montini made the following recommendations for the 2024-25 Plan Year:

- Maintain Screenings;
- Maintain Virgin Pulse Platform;
- Add Hearing Test to the Cardiac and Organ Screening; and
- Add Sword Digital Physical Therapy.

12:30 p.m. Lunch

1:30 p.m. Return from Lunch

10. AzMT Administrative Review and Strategic Planning

Jaime Schulenberg presented a report including a 2023-24 administrative review and strategic planning for the 2024-25 plan year. She further reviewed the scope of the current consulting services performed by Gallagher and an annual service calendar

Ms. Schulenberg focused on the 2024-25 project planning noting the following areas of focus:

- Improved open enrollment materials
- RFP's for consideration, including
 - Auditor
 - PBM
 - Website
- Increase wellbeing participation and update marketing efforts
- Implement Sword Virtual PT Program

11. 2023 Fiduciary Training

Michael Hensley provided updated Trustee training which included the expansion of Trustee fiduciary duties with new transparency rules.

12. Review of the Trust Financial Status as of December 31, 2023

Sheri Gordon reviewed the Trust's financial performance through December 2023 and reported the Trust was performing very well in 2023-24. .

13. Recommended Claim Funding Rates for 2024-25 and Pricing of Benefit Change Options

Ryan Benitez and Michael Reich, AzMT's actuaries, reviewed the rate development, proposed claim funding rates, proposed benefits changes, projection methodology and plan experience for the Trustees.

14. 2024-25 and Budget Building

Ms. Schulenberg reviewed the proposed 2024-25 budget which included recommended changes, budget assumptions and vendor renewals.

Ms. Schulenberg reported that she used the 3.3% funding factor provided by Cheiron, which excludes COVID hospitalization claims to coincide with what was adopted for 2023-24, as well as insurance and administrative fees. Medical/Rx funding incorporated the following benefit changes:

- Increase Deductible and Max Out-of-Pocket for the HDHP Plan from \$3,000/\$6,000 to \$3,200/\$6,400 – required due to IRS Guidelines; and
- Add Sword Digital Physical Therapy Program.

Ms. Schulenberg reported that both dental and vision received a recommendation for a rate pass on funding, however, there was a slight increase in the vision premiums due to a requested administrative fee increase. She reported that there is the option to add additional vision benefits which would be discussed further. Dental shows a rate pass but does include an admin fee increase along with the following benefit changes which were discussed by the Admin Group as outlined below:

- Change Bitewing X-Rays to 1x/year;
- Provide 3 Cleanings/year for all covered members; and
- Add Special Healthcare Needs coverage.

After much discussion regarding rates, Trustees requested that Staff provide rates reflecting a 4% increase for their consideration during the Trust meeting.

15. Call to the Public

There were no comments from the public.

16. Adjourn

The meeting adjourned at 4:14 p.m.

Respectfully Submitted,
Sheri Gordon
Recording Secretary