

ARIZONA METROPOLITAN TRUST
Draft - Minutes of Tuesday, November 19, 2024
Trust Meeting

The following Trustees were present and a quorum was met:

Matthew Williams, Chairperson	City of Litchfield Park
Jeanne Blackman, Vice Chairperson	Town of Youngtown
Bryant Powell	City of Apache Junction

The following Alternate Trustees were present:

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

The following Consultants/Vendors/Guests were present:

Ann Coupland	Delta Dental
Bryan Espinoza	Navitus
Sheri Gordon	Gallagher Benefit Services
Krista Keller	AmeriBen
Maya Kwiedacz	Town of Wickenburg
Patrick Larrabee	Town of Guadalupe
Laura Montini	Gallagher Benefit Services
Jaime Schulenberg	Gallagher Benefit Services
Lisa Thompson	Navitus
Corey Tracy	Gallagher Pharmacy Division

1. Call to Order

The meeting was called to order at 10:05 a.m.

2. Roll Call

Ms. Gordon performed roll call and confirmed a quorum was in attendance to act on applicable matters before the Board.

3. Consent Agenda Items

Chairperson Williams presented the consent agenda for approval, consisting of:

- **August 20, 2024 Regular Meeting Minutes**
- **October 31, 2024 Special Meeting Minutes**
- **July through September 2024 Financial Reports**

Vice Chairperson Blackman made a motion to approve the consent agenda, seconded by Trustee Powell, and unanimously carried.

4. Discussion and Possible Action re PBM Request for Proposal 2025-26

Ms. Schulenberg reported that at the last meeting there were a few Requests for Proposals (RFP) discussed and it was suggested that there could be potential saving for the Trust on prescription costs as determined by a review performed by Gallagher's Pharmacy Benefits Management practice with several of our other clients. Ms. Schulenburg introduced Mr. Corey Tracy, VP Pharmacy Benefits Management Consulting from Gallagher.

Mr. Tracy reviewed the RFP process including the opportunity for potential savings from the current PBM. Mr. Tracy also discussed the process and strategies to maximize the Trust pharmacy spend which includes RFP's, contract reviews, audits and ongoing consulting/auditing of processes and pricing. Mr. Tracy reported that in 72% of RFPs, the client remains with their current PBM, but whether the clients stayed with the current PBM or moved they gained better pricing, better service and better products through the process. Mr. Tracy reported that the costs for the services performed by Gallagher are paid by the PBM and that the Trust would not see any additional costs. *[Editor's Note: Subsequent to the meeting Navitus informed Ms. Schulenberg that any costs associated with the process would be passed on to AzMT in the form of increased admin fees and/or as a reduction of rebates; this will be explored in more detail and presented as part of the overall process during the renewal meeting.]* If the Trust is interested in moving forward, Gallagher's PBM practice will prepare a Statement of Work and present it to the Trustees for consideration and approval.

Ms. Schulenberg reported if the Trustees were interested in this review, it would be conducted in 2025-26 for a 07/01/2026 effective date. Mr. Tracy reported that this would require the process to begin 8-12 months prior to the effective date.

Trustee Powell made a motion to direct staff to move forward with obtaining a Statement of Work to be presented to Trustees at the renewal meeting, seconded by Vice Chairperson Blackman, and unanimously carried.

5. Discussion and Possible Action re Employee Assistance Program RFP

Ms. Gordon reported that as discussed at the prior meeting and based off recent concerns with the current EAP vendor, Curalinc, GBS took the EAP out to bid. Some of the issues consisted of inability to provide services required under A.R.S for public safety traumatic counseling and reporting, as well as inappropriate comments during on-site training and counseling.

Ms. Gordon reported that the RFP was sent to six (6) vendors, with two (2) declining to bid as listed below:

- BHS – declined to bid
- Compsych
- Headspace – declined to bid
- Jorgensen Brooks
- Magellan Health
- Spring Health

Ms. Gordon reported that the intent was to present recommendation for award of the contract, however our current budget for EAP services is \$16,731 and bids ranged from \$49,680 to \$271,120 annually. Therefore, based on the much higher cost, Staff recommends working with the current

vendor to resolve issues, decline all bids, and reconsider an RFP next plan year if the issues are not fixed and the budget can include the additional cost for consideration and approval.

Vice Chairperson Blackman made a motion to decline all bids and direct Gallagher to work with the current vendor to resolve all issues and ensure contract compliance, seconded by Alternate Trustee Trimble, and unanimously carried.

6. Review and Approval of 2023-24 Annual Audit

Ms. Schulenberg reported that Doug Kientz, the Trust auditor, conducted the annual audit of the Trust as of June 30, 2024. Trust Assets (cash) are reported at \$7,458,815 which is an increase of \$1,691,6587 over the prior year. The Trust's Incurred But Not Reported (IBNR) liability is reported at \$1,353,000 as determined by the Trust's actuary; a decrease of \$292,000. The Trust's Net Assets (surplus) are reported at \$6,061,310, an increase of \$1,962,027. Ms. Schulenberg reported that as required by statute, a copy of the audit has been forwarded to the Department of Insurance. In addition, a digital copy attached to this meeting packet is provided as required by statute.

Discussion ensued regarding the overdue DOI audit and Ms. Schulenberg reported that they have reached out and they are behind with no idea when they might be ready to conduct that audit. She further noted that once contacted, Gallagher will work with the DOI to provide all the necessary information and documents for the audit.

Further discussion ensued regarding the upcoming final surplus payouts due to Pinal County (\$952,738.08), Avondale (\$728,833.56), and first payment to Buckeye Valley Fire District (279,363.21) which are due in December 2024.

Vice Chairperson Blackman made a motion to accept the 2023-24 annual, seconded by Trustee Powell, and unanimously carried.

7. Discussion and Possible Action re Teladoc Consultation Fee

Ms. Schulenberg reported that at last year's renewal meeting the Trustees voted to move Teladoc under the AmeriBen umbrella at a lower cost with the same consultation fees as under the independent contract. However, AmeriBen recently received notice that Teladoc was increasing the consultation fees for General Medical to \$57 (currently \$55), Dermatology to \$89 (currently \$85), and that they refused to hold the increases until the 07/01/2025 plan year. As a result, the Trust must decide whether to pass on the increases to members or absorb the increases for those enrolled in the EPO, PPO and PPO Buy-Up. Based on utilization from 2023 CY, the estimated cost to the Trust would be \$118 for the Trust to absorb the increases.

Trustee Powell made a motion to absorb the increase in cost from Teladoc services as of 01/01/2025, seconded by Chairperson Williams, and unanimously carried.

8. Vendor Innovations and Trends Report/Discussion

- **AmeriBen** – Ms. Krista Keller was introduced to the Trustees as the new Account Manager for AmeriBen, noting the promotion of Ms. Kelly Schoonmaker. Ms. Keller reviewed recommendations for Trustees consideration including:
 - Maternal Health Program – A member focused, special care for high-risk pregnancies with ongoing personalized support.

- Disease/Health Management Program – A disease focused program with ongoing support that can be specialized to the Plan based off data, but can cover such diseases as Asthma, Diabetes, Hypertension, and other Chronic diseases.
- Remove Sleep Disorders from pre-certification list.
- Engage Plus – A convenient, single front door for integrated person-centered, health and well-being navigation. This would include the maternal and disease programs discussed earlier as well.

Ms. Schulenberg noted that additional information would be presented to the Admin Group during their pre-renewal meeting and recommendations would be brought to Trustees at the renewal meeting in February.

- **Navitus** – Ms. Lisa Thompson and Mr. Bryan Espinoza reviewed the following recommendations for consideration:
 - Access Guidance Service (CoPay Assist) for GLP-1's– Ms. Thompson reported that currently the Trust is not benefiting from those members who are taking GLP-1's. Based off the Plan data (October 2023- September 2024), estimated savings are estimated at \$23,040 annually.
 - RxPostCheck (Medical Specialty Claims Review) – Mr. Bryan Espinoza reviewed a program which will provide voluntary retrospective case management review of medical specialty drugs which would make recommendations to members about other medication options.
 - Medical Carve Out – Mr. Espinoza also reviewed this program which moves high-cost specialty medications from the medical benefit to the pharmacy benefit. This allows for savings and greater medication management for members with chronic and/or critical health conditions.
- **Delta Dental** – Ms. Ann Coupland reviewed the following recommendations for consideration:
 - Adult Floride – Adult Floride could be an added benefit for the Trust with a cost impact projected at 1.4% -1.7% impact, to improve overall dental health.
 - Cone Beam X-Rays – This benefit is generally used for implants, however, Ms. Coupland noted that many dental offices don't offer the technology. Estimated cost is 1.7%-2%.
- **Wellness Program** – Ms. Laura Montini gave a brief overview of the program and made the following suggestions for consideration:
 - Expand Sword Health to include Move and Predict.
 - Mental Health First Aid Training.
 - Annual Chair Massages as part of a Stress Management program.

Discussion ensued regarding participation in events and some additional options were provided and suggested by entities. Further discussion regarding these outreaches to obtain increased participation will be discussed at the upcoming administrative meeting.

- **GBS Voluntary Benefits and Patient Advocacy**
 - Voluntary Benefits - Ms. Jaime Schulenberg reported that in the past the individual entities have always taken it upon themselves to provide voluntary benefits to their employees. However, recently there have been requests to add benefits such as pet insurance under the AzMT umbrella. She indicated that Gallagher has a Voluntary Benefits division that can market various ancillary coverages and consolidate under AzMT and that they also offer what is called Marketplace, which is a self-serve portal

that allows employees to purchase voluntary benefits with group pricing. More information will be provided to the Admin Group and if recommended, brought to Trustees at the renewal meeting.

- Patient Advocacy – Ms. Schulenberg reminded Trustees that this program had been presented last year but a decision was made not to move forward until it had been in practice longer and had more results. This program is similar to what AmeriBen is proposing so both will be reviewed by the Admin Group and if appropriate, a recommendation will be brought to Trustees at the renewal meeting.

9. Discussion and Possible Action re Membership Renewals

Ms. Schulenberg reported that membership offers are typically made during the renewal meeting in February, however we had an entity ask if these could be done earlier. Per legal counsel, an entity can't execute a resolution until an offer has been made, however, there is no restriction as to when the renewal offer can be made. She did note that the timeframe for a response to the offer of membership must remain the same (90 calendar days prior to renewal). Ms. Schulenberg reported that both Fountain Hills and Sun City Fire District have terms expiring 06/30/2025; Trustees may elect to offer renewal for 36 months effective 07/01/2025.

Vice Chairperson Blackman made a motion to offer renewal membership to Fountain Hills and Sun City Fire District for a 36-month term effective 07/01/2025, seconded by Alternate Trustee Kurek, and unanimously carried.

10. Administrative Update

Ms. Schulenberg provided the following administrative update:

- a. Credit Card Procedures – Ms. Schulenberg reported that the Gallagher Legal will not allow staff to have an AzMT credit card in their name due to fiduciary liability. However, we were able to resolve the issue internally and have a new credit card available to us to handle client needs.
- b. Marketing Packet – Ms. Schulenberg reported that attached in the meeting packet is an updated marketing piece and asked for comments on its look and content. Ms. Schulenberg requested additional participation in the Marketing Subcommittee as the only current member is Ms. Tarah Mayerhofer.
- c. Hemophilia Medications – Ms. Schulenberg reported that previously hemophilia medications were provided through the medical plan(s); effective January 01, 2025, will be provided through the PBM. There are no current members affected.
- d. Disabled Dependent Verification Process – Ms. Schulenberg reported that certification of disabled dependents is currently handled by each individual entity, however, AmeriBen can take over management of the process for \$275 per case. This will be discussed with the Admin Group and a recommendation made at the renewal meeting, if appropriate.
- e. Retiree Health Coverage – Ms. Schulenberg reported that we were asked to look at opportunities for coverage for retirees under AzMT by Chairman William, similar to the current options offered by the other Valley entities. Ms. Schulenberg reminded the Trustees that in the past the Board chose to make an affirmative decision not to cover retirees due to many factors, including GASB45 liability. She is looking for direction on whether to present options at the renewal meeting.
- f. Cave Creek Application – Ms. Schulenberg had hoped to present the Cave Creek Application for membership at the meeting, however, there was not clear communication and/or recommendations from the Actuary. As a result, a special meeting will be scheduled for December. Additional discussion ensued regarding the change in process and communication with Cheiron.

11. Future Agenda Items

- Potential Actuary RFP
- Marketing and Outreach of Ancillary Services to Employees
- Finance Subcommittee Meeting/Recommendation re Surplus
- AmeriBen Issues

12. Next Meeting Date

The next meeting is the renewal meeting scheduled for February 10-12, 2025 at Rancho delos Caballeros, Wickenburg.

13. Call to the Public

N/A

14. Adjourn

Vice Chairperson Blackman made a motion to adjourn at 11:58 a.m., seconded by Trustee Powell, and unanimously carried.

Respectfully Submitted,
Sheri Gordon
Recording Secretary