

ARIZONA METROPOLITAN TRUST
Draft – Minutes of Tuesday, February 11, 2025
Annual Renewal Work Session 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
Crystal Dyches	City of El Mirage
Jeff Kulaga	Town of Guadalupe
Bryant Powell	City of Apache Junction
Rob Schmitz	Sun City Fire District

The following Alternate Trustees were present:

Lisa Adams-Williams	City of Litchfield Park
Dawn Kurek	City of El Mirage
Patrick Larrabee	Town of Guadalupe
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:

Ryan Benitez	Cheiron
Ann Coupland	Delta Dental
Michele Domash	Cheiron
Bryan Espinoza	Navitus
Samantha Folkerts	Curalinc
Mike Groeger	Blue Cross Blue Shield AZ
Sheri Gordon	Gallagher Benefit Services
Jinnett Hancock	Town of Fountain Hills
Mike Hensley	Jones Skelton & Hochuli
Krista Keller	AmeriBen
Rachele Martin	Blue Cross Blue Shield AZ
Rachel McLouth	VSP
Laura Montini	Gallagher Benefit Services
Bill Ochs	Ochs
Jaime Schulenberg	Gallagher Benefit Services
Lisa Thompson	Navitus
Pam Vannoy	AmeriBen
Daniela Zubic	Gallagher Benefit Services

Call to Order

The meeting was called to order at 9:11 a.m.

1. Welcome and Introductions

Chairperson 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. 2024 Medical Claims and Medical Management Review

Krista Keller provided an executive summary of the Trust's medical claims including the Plan Performance, Network Utilization and Customer Care Performance. Ms. Keller reported the network continues to perform well and as a result, is experiencing a savings of 67% with a 92% utilization of the network.

Pam Vannoy provided an overview of the Trust's medical management program including pre-certification activity and case management. Ms. Vannoy reported there were a total of 44 in-patient pre-certification cases requested with medical in-patient being the most requested case type. She also reported there were 28 case management cases opened, 12 post hospital calls and 5 care coordination cases were completed.

There was additional discussion with the Trustees regarding the Engage+ program offered by AmeriBen, which the administrative group had previously discussed at the pre-renewal meeting. Engage+ is a bundled "light" advocacy solution that includes several additional services for members such as dedicated customer care team trained on culture and point solutions, advanced technology to seamlessly get members from customer care to clinical resources, proactive pre-cert denial outreach and much more. There is an additional cost to the Trust to implement these services.

3. 2024 BCBSAZ Review

Michael Groeger expressed gratitude from BCBSAZ to AzMT for their continued partnership over the past several years.

Rachele Martin reported that the contract negotiations with Phoenix Children's Hospital have been resolved, and they are back in network as of February 8, 2025.

Ms. Martin reviewed the executive summary and reported that the Trust had network savings of \$22,423,675, which represents an overall discount of 66.5%. Ms. Martin further discussed the Blues non-profit work throughout the state of Arizona.

4. 2024 Prescription Claims Review

Lisa Thompson and Bryan Espinoza with Navitus provided an overview of the prescription claims incurred January 1 through September 30, 2024 which included an executive summary of Key Performance Metrics, PMPM Trend Drivers, Copay Assistance Savings, Generic vs. Brand Utilization, Script Cost vs. Script Volume, Top Categories by Plan Paid, Top Drugs by Plan Paid, Top Therapeutic Categories, Antidiabetics (GLP1) and Top Specialty Conditions.

Ms. Thompson discussed the next steps recommended by Navitus and noted adding the Access Guidance Services for GLP-1's with a potential \$23,040 savings to the Fund has been postponed for further discussion. Additional discussion regarding next steps for the Population Health Program will take place to review the medical carve out piece of the prescription coverage for the Trust.

5. 2024 Dental Claims Review

Ann Coupland with Delta Dental of Arizona provided a summary of the dental claims through December 2024 for both the basic and buy-up 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 rate pass as the Trust begins its second year of a two-year rate guarantee.

6. 2024 VSP Review

Rachel McLouth from VSP reviewed the Trust's plan design for both the basic and buy-up plans as well as access points nationwide, utilization review, VSP WellVision exam benefits and communications to participants.

Ms. McLouth advised Trustees that she is no longer the Account Executive on the account, however, since she resides in AZ, she would continue to attend and present at future meetings.

7. 2024 Life Insurance Review

Bill Ochs expressed his gratitude to be able to attend the meeting this year and engage with the Trustees and professionals on behalf of Ochs/Securian. Mr. Ochs provided an overview of the Basic Life and AD&D insurance experience for plan years January 2020 - June 2024.

Mr. Ochs reported that AzMT was offered a rate pass with the current renewal with a 3-year rate guarantee through June 30, 2028.

8. 2024 EAP Review

Samantha Folkerts provided an executive summary which provided an overview of the current EAP offerings, utilization highlights, performance, Key Insights and Actionable Strategies, as well as innovations and what is coming next from Curalinc. Ms. Folkerts noted that the Trust is currently in the second year of a three-year rate guarantee at \$1.65 PEPM through 6/30/2027.

9. 2024 Wellness Review

Laura Montini, former Wellbeing Consultant for AzMT, introduced her replacement Daniela Zubic to the Trustees. Ms. Zubic expressed her enthusiasm to begin working with the AzMT Trustees and entities as their new Wellbeing Consultant.,

Ms. Montini reviewed the executive summary for the wellness program as of February 2025. Ms. Montini reported that the on-site Cardiac and Organ screens are the most attended on-site event, followed closely by Mammogram screenings. Skin Cancer screening were not held in the 2023-24 plan year due to vendor disruption, but they are scheduled to return in 2025.

Ms. Montini discussed the Virgin Pulse program noting their name change to Personify Health. She reported 24% enrollment and 41% engagement from enrolled participants. She reported that the enrollment has continually increased since the launch in July 2024, however, both enrollment and engagement are below the benchmark at 52.9% and 43.8%, respectively.

Ms. Montini reported that the Sword programs, Thrive and Bloom, were implemented this year and have 75 members enrolled in one or more programs. She noted that there are 31 members engaged in the Thrive program with 85.7% completing the program. Additionally, there are 28 members engaged in one or more sessions of the Bloom program, with an average of 82.4% completing the program.

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 and suggested recommendations for the 2025-26 Plan Year:

- Sword Move
- Alternative Marketing Strategies
- Form a Wellbeing committee
- Implementing healthy, lifestyle-based program that teaches weight management skills
- Add Personify Health Coaching to promote long-term lifestyle changes
- Consider implementing a solution that addresses mental wellbeing, resiliency, stress management, mindfulness, and meditation.

10. AzMT Administrative Review and Strategic Planning

Jaime Schulenberg presented a report including a 2024-25 administrative review and strategic planning for the 2025-26 plan year. She further reviewed the scope of the current consulting services performed by Gallagher and an annual service calendar

11:58 p.m. Lunch

12:30 p.m. Return from Lunch

11. 2025 Trustee Training

Michael Hensley provided updated Trustee training which included the expansion of Trustee compliance and fiduciary duties with new transparency rules, Consolidated Appropriations Act (ACC), Open Meeting law and new HIPAA Requirements.

12. Review of the Trust Financial Status as of December 31, 2024

Sheri Gordon reviewed the Trust's financial performance through December 2024. Ms. Gordon noted that the Trust paid out Surplus payments of approximately \$2.1 million to Avondale (final payment), Pinal County (final payment), and Buckeye Valley Fire District (first payment). Discussion ensued regarding the reserve goal and potential steps or options on how to meet their goal.

13. Discussion re Retiree Health Care Options

Ryan Benitez and Michele Domash, AzMT's actuaries from Cheiron, prepared and provided a report for the Trustees to explore what it would look like to provide Retiree Medical Benefits. Chairperson Williams had requested that this report be presented for informational purposes as several public sector municipalities in AZ have chosen to offer this benefit recently.

Ms. Domash reviewed her report which covered who might benefit from retiree coverage, value proposition, types of coverage, and financial implications to the Trust (specifically GASB). Discussion ensued by the Trustees, and they thanked Cheiron for presenting the information.

14. Recommended Claim Funding Rates for 2025-26 and Pricing of Benefit Change Options

Ryan Benitez and Michele Domash reviewed the rate development, proposed claim funding rates, proposed benefits changes, projection methodology and plan experience for the Trustees.

15. 2025-26 Budget Building

Ms. Schulenberg reviewed the proposed 2025-26 budget which included recommended changes, budget assumptions and vendor renewals.

- Ms. Schulenberg reported that she used the 3.93% funding factor provided by Cheiron and included the following benefit changes: Increase Deductible and Max Out-of-Pocket for the HDHP Plan from \$3,200/\$6,400 to \$3,300/\$6,600 – required due to IRS Guidelines;
- Add Expanded Preventive Medications to the HDHP; and
- Add coverage for 3D Mammograms at all locations.

Ms. Schulenberg reported that dental received a recommendation for a rate pass on funding, however, there was a increase in the vision of 5.61%. The Life/ADD also has received a rate pass for the upcoming plan year.

Additionally, Ms. Gordon distributed draft copies of the entity budgets, AzMT vendor rate history (7/11/2013 through 6/30/2026), and a de-identified vendor fee comparison.

After much discussion regarding rates, Ms. Schulenberg reported that her recommendation would be an increase between 4-5%, which would fall somewhere between the minimum and recommended funding from Cheiron.

Trustees agreed to finalize discussions on rates during the Trust meeting scheduled for February 13, 2025.

16. Call to the Public

There were no comments from the public.

17. Adjourn

The meeting adjourned at 3:39 p.m.

Respectfully Submitted,
Sheri Gordon
Recording Secretary