

**ARIZONA METROPOLITAN TRUST**  
**Final – Minutes of Wednesday, February 10, 2016**  
**Trust Meeting**

**Trustees Present:**

Dr. Spencer A. Isom, Chairperson  
Bryant Powell, Vice Chairperson  
David Fitzhugh, Trustee  
James Alcantar, Alternate Trustee  
Sandra King, Alternate Trustee  
Leo Lew, Alternate Trustee  
Liz Riley, Alternate Trustee  
Kathy Reyes, Alternate Trustee  
Ray Temple, Alternate Trustee

**Others Present:**

Erin Collins, ECA  
Justin Cook, Pinal County  
Ann Coupland, Delta Dental of Arizona  
Mary Dalton, North County Fire and Medical District  
Alisa Dugan, Navitus  
Kristin Fitch, AmeriBen  
John Frick, Navitus  
Rhonda Garcia, Appellant  
Dawn Hailey, City of El Mirage  
Mike Hensley, Jones, Skelton & Hochuli  
Tiffany Johnson, ECA  
Elena Lacy, ECA  
Chris Mead, Navitus  
Cindy Oliver, North County Fire and Medical District  
Michael Schionning, Cheiron  
Jaime Schulenberg, ECA

**1. Call to Order**

The meeting was called to order at 9:30 a.m.

**2. Approval of the October 21, 2015 Regular and Executive Trust Meeting Minutes and January 07, 2016 Special Telephonic Trust Meeting Minutes**

*Vice Chairperson Powell made a motion to approve the October 21, 2015 Regular and Executive minutes as amended and the January 07 Special Telephonic Trust meeting minutes, seconded by Trustee Fitzhugh and unanimously carried.*

### **3. Discussion and Possible Action re Eligibility Appeal**

The appellant, Rhonda Garcia, was present and consented to having her appeal heard in Open Session. Ms. Schulenberg provided a summary of the appeal, noting that the appellant's husband applied for benefits with his new employer but was not told when his benefits would be effective. According to the appeal, the member received medical ID cards on 01/02/16 (a Saturday) which reflected retroactive coverage to December 01, 2015; she requested a mid-year change in coverage on 01/04/16, the first work day following receipt of the cards.

*Trustee Fitzhugh made a motion to adjourn to executive session to receive legal advice regarding the appeal, seconded by Alternate Trustee Lew and unanimously carried.*

The Board adjourned to executive session at 9:45 a.m.

The Board reconvened to regular session at 9:50 a.m.

Mike Hensley summarized that factually the last day to make any changes to the qualifying event was a weekend and the appellant went to HR the very next business day. He noted that the rules are not changing, instead the Trust is acknowledging that there were special circumstances in this particular situation. Human Resources properly denied the request and it was noted that any such requests in the future should be handled the same way as Trustees are the only ones who are able to make an exception to the SPD.

*Alternate Trustee Temple made a motion to grant the appeal and allow the member to drop her coverage, seconded by Trustee Fitzhugh and unanimously carried.*

### **4. Discussion and Possible Action re New Member Application**

Ms. Schulenberg provided a brief summary of the background information of North County Fire and Medical District. Mike Schionning, the Trust's actuary, went over the underwriting process and provided his recommendation to the Trust.

Discussion ensued concerning the underwriting process and in particular, some of the concerns with how much North County Fire and Medical District contributes to an employee HSA, retiree coverage and a high dollar claimant. Mary Dalton spoke on behalf of North County Fire and Medical District stating that they understand that the Trust is trying to remain financially sound. They like the way AzMT works and would like to grow with AzMT; she stated that they are prepared to make the changes and would like the Trust's actuary to re-evaluate.

*Chairperson Isom made a motion to table the item for further analysis and for North County Fire and Medical district to make adjustments, seconded by Trustee Fitzhugh and unanimously carried.*

## **5. Discussion and Possible Action re Laneri Notice of Claim**

Trustee Fitzhugh stated that the City of Avondale would abstain from any vote or discussion of this item.

Mike Hensley stated that the discussion of this item needed to be heard in executive session.

*Chairperson Isom made a motion to adjourn to executive session to receive legal advice regarding the Notice of Claim, seconded by Alternate Trustee Temple and unanimously carried.*

The Board adjourned to executive session at 10:02 a.m.

The Board reconvened to regular session at 10:32 a.m.

Trustees agreed to move to Item 6 before taking any action on this matter. As such, discussion moved to that item and then Trustees returned to this matter.

*Vice Chairperson Powell made a motion to adjourn to executive session to receive legal advice regarding the Notice of Claim, seconded by Chairperson Isom and unanimously carried.*

The Board adjourned to executive session at 10:46 a.m.

The Board reconvened to regular session at 10:55 a.m.

## **6. Discussion and Possible Action re Revision to SPD Subrogation Language**

*Alternate Trustee Lew made a motion to adjourn to executive session to receive legal advice regarding the subrogation language in the SPD, seconded by Chairperson Isom and unanimously carried.*

The Board adjourned to executive session at 10:33 a.m.

The Board reconvened to regular session at 10:45 a.m.

*Trustee Fitzhugh made a motion to add a statement to the Subrogation Section of the SPD regarding wrongful death, contingent upon review and approval by the subrogation vendor, seconded by alternate Trustee Lew and unanimously carried.*

## **7. Discussion and Possible Action re Subrogation Settlements**

Ms. Schulenberg reviewed two subrogation settlement proposals with the Trust as follows:

1. The attorney for a member who was bit by a dog requested that AzMT waive its right to recover medical expenses.

*Vice Chairperson Powell made a motion to deny the waiver, seconded by Trustee Fitzhugh and unanimously carried.*

2. The second matter involved a motor vehicle accident. The member has already settled with the responsible party and AzMT did receive a signed lien; the subrogation vendor believes that the member's attorney will be amenable to splitting the settlement with AzMT receiving 1/3 or approximately \$11,667. However, at this time the offer has not been finalized.

*Trustee Fitzhugh made a motion to approve the settlement if SRP provides the final proposal for 1/3 or \$11,667 of the settlement, seconded by Alternate Trustee Temple and unanimously carried.*

#### **8. Discussion and Possible Action re Award of Contract for Vision Services**

Ms. Schulenberg gave an overview of the Vision Request for Proposal (RFP) process and, based on consensus of the Admin Group, recommended award of a contract to VSP.

*Alternate Trustee Lew made a motion to award a contract to VSP effective July 01, 2016, seconded by Trustee Fitzhugh and unanimously carried.*

#### **9. Discussion and Possible Action re Award of Contract for TPA Services**

Ms. Schulenberg provided a summary of the TPA RFP process. Following interviews and a Best & Final process, ECA and the Admin Group recommended award of a contract to AmeriBen. AmeriBen has acknowledged an understanding of the concerns and a commitment to work with AzMT to improve in all areas.

*Vice Chairperson Powell made a motion to award the contract for TPA services to AmeriBen, seconded by Trustee Fitzhugh and unanimously carried.*

#### **10. Discussion and Possible Action re Award of Contract for Life Services**

Ms. Schulenberg reported that the Admin Group requested a Life RFP in order to secure list billing as self-administrating the benefit is becoming an administrative burden. Ms. Schulenberg reviewed her process and recommended award of a contract to Minnesota Life effective July 01, 2016.

*Chairperson Isom made a motion to award the contract for Life services to Minnesota Life, seconded by Alternate Trustee Lew and unanimously carried.*

#### **11. Approval of the September through December 2015 Financials**

Ms. Lacy indicated that there was no new information to report, however, pointed out that there was an error on the prescription claims graph on the December memo which will be updated on the January financials.

Chairperson Isom requested a simple summary of the Trust's financial position that can be used to report to entity Councils/Boards. ECA will work with the Chairperson on the formatting, etc.

*Chairperson Isom made a motion to approve the September through December 2015 financials, seconded by Alternate Trustee Ray and unanimously carried.*

## **12. Review of the July 30, 2015 Audit**

Ms. Schulenberg reviewed the June 30, 2015 audit that was completed by the Trust's auditor, Doug Kienitz.

## **13. Approval of the 2016-17 Vendor Contract Amendments**

Ms. Schulenberg reviewed the vendor contract amendments with AzMT.

*Vice Chairperson Powell made a motion to approve the AHG, BCBSAZ, Cheiron, DDAZ, Doug Kienitz, JS&H and Navitus contracts, seconded by Trustee Fitzhugh and unanimously carried.*

*Chairperson Isom made a motion to adjourn to executive session to receive legal advice regarding the ECA contract amendments, seconded by Alternate Trustee Temple and unanimously carried.*

The Board adjourned to executive session at 11:40 a.m.

The Board reconvened to regular session at 12:30 a.m.

*Chairperson Isom made a motion to approve a \$0.25/PEPM rate increase to the ECA Pool Administrator contract, seconded by Trustee Fitzhugh and unanimously carried.*

*Chairperson Isom made a motion to approve the ECA Wellness Consultant contract as presented, seconded by Alternate Trustee Temple and unanimously carried.*

## **14. Approval of 2016-17 Benefits and Rates**

Ms. Schulenberg reviewed the benefits and rates from the work session meeting and recommended the following:

- Use minimum funding factors for Medical/Rx, Dental and Vision.

### Medical/Rx

- Implement Medicare-Like Rates for out-of-network facility claims;
- Change the PPO Buy-Up Deductible from \$0/\$500 to \$100/\$400;
- Eliminate Deductible Carry-Over on all plans; and
- Increase Specialty Rx CoPay from \$100 to 20% with a Max of \$200.

### Dental

- Add coverage for composite fillings;
- Add orthodontic coverage for adults; and

- Increase orthodontic coverage from \$1,000 lifetime to a \$2,000 lifetime max.

Vision

- Move vision administration to VSP with use of VSP network and plan design

Trustees and staff discussed the reserve policy. Chairman Isom requested two (2) Trustee volunteers to serve on a subcommittee to develop the reserve policy further and also vet contract amendments in the future.

*Chairperson Isom made a motion to approve the 2016-17 benefits and rates, seconded by Vice Chairperson Powell and unanimously carried.*

### **15. Administrative Update**

Ms. Schulenberg provided updates on the following admin items:

- Medicare D;
- Healthcare BlueBook;
- Life Experience and EAP Utilization reports were attached to the packets for further reading; and
- AzMT Marketing.

### **16. Future Agenda Items**

Chairperson Isom requested discussion on the reserve policy.

### **17. Set Next Meeting Date**

The next meeting will be held at 10:00 a.m. on Tuesday, April 26, 2016 at the ECA Phoenix office if available (Editor's Note: This location has been confirmed)

### **18. Call to the Public**

No public was present.

### **19. Adjourn**

The meeting adjourned at 12:55 p.m.

Respectfully Submitted,

Elena Lacy  
Recording Secretary