

ARIZONA METROPOLITAN TRUST
Final – Minutes of Tuesday, February 07, 2017
Annual Renewal Work Session Meeting

Trustees Present:

Bryant Powell, Chairperson
David Fitzhugh, Vice Chairperson (Arrived at 10:30 a.m.)
Mike Duran, Trustee
Dr. Spencer A. Isom (via phone)
Grady Miller, Trustee
Gregory Rose, Trustee
Gregory Stanley, Trustee
Michael Thompson, Trustee
Jaime Alcantar, Alternate Trustee
Kathleen Haggerty, Alternate Trustee
Sandra King, Alternate Trustee
Leo Lew, Alternate Trustee
Lisa Neubert, Alternate Trustee
Kathy Reyes, Alternate Trustee
Liz Riley, Alternate Trustee
Ray Temple, Alternate Trustee
David Trimble, Alternate Trustee

Others Present:

Karla Anderson, Navitus
Patrick Camunez, Pinal County
Erin Collins, ECA
Justin Cook, Pinal County
Ann Coupland, Delta Dental of Arizona
Ron Deadman, Sun City Fire District
Jacquelyn Ikononov, ECA
Matt Ingersoll, AmeriBen
Dawn Hailey, City of El Mirage
Michael Hensley, Jones, Skelton & Hochuli
Elena Lacy, ECA
William Miller, Navitus
Laura Phillipson, Navitus
Michael Schionning, Cheiron
Kelly Schoonmaker, AmeriBen
Jaime Schulenberg, ECA

1. Call to Order

The meeting was called to order at 9:00 a.m.

2. Welcome and Introductions

Jaime Schulenberg from ECA gave a brief overview of the agenda and the goals for today's meeting.

3. 2016 Medical Claims Review

Kelly Schoonmaker from AmeriBen provided an executive summary of the Trust's medical claims noting the Plan Performance, Network Utilization, and Customer Care Performance.

Trustees discussed comparison shopping tools and indicated that they are interested in looking at this option in the future. Ms. Schulenberg reported that ECA had Healthcare Blue Book priced this year, but with the projected increase in claims funding, the cost to implement was too expensive.

Alternate Trustee Reyes reported that there is an issue with Teladoc not receiving a claims feed from AmeriBen that includes deductible information so that members on the High Deductible Health Plan (HDHP) aren't erroneously charged for the consult fee. Alternate Trustee Reyes stated that AmeriBen is working on this.

4. 2016 Prescription Claims Review

Laura Phillipson, Karla Anderson and Bill Miller from Navitus provided an overview of the prescription claims for January through December 2016 which included an executive summary of Key Performance Metrics, Plan Paid Per Member Per Month, Top 10 Drugs by Plan Paid, Top Therapeutic Categories, Average Script Cost by Volume, Specialty Prescriptions, Top Pharmacies, and Saving Opportunities.

5. 2016 Dental Claims Review

Ann Coupland with Delta Dental of Arizona provided a summary of the dental claims for January through December 2016.

6. 2016 ECA Review

Ms. Schulenberg presented an overview of the services ECA provides to AzMT, as well as accomplishments over the past year.

7. 2016 Wellness Review

Jacquelyn Ikonov with ECA presented the AzMT L.I.V.E. program review covering wellness goals, data from the HRA's and medical claims, 2016-17 wellness events, and FitBit utilization.

8. Reserve Goal Strategies

Michael Schionning with Cheiron gave a presentation on the Trust Reserve Goal. The overview included what factors to consider when targeting a reserve goal, and how to build to the target reserve goal.

Trustees discussed what the goal of AzMT should be as well as the timeframe for reaching the goal. The subcommittee will be reconvened after the renewal meeting and they will review the options presented by the actuary and develop a recommendation to present to Trustees for their consideration and approval. Trustee Rose and Alternate Trustee Lew asked to be added to the subcommittee and will be invited to all future meetings. The consensus was that it is better to plan ahead to prepare for a bad year.

9. Actuarial Rate Methodology

Mr. Schionning provided an overview of Cheiron's funding methodology in an effort to explain how rates are set and why the HDHP rates are not significantly lower than those of the other plans. The presentation included the actuarial rate methodology, impact of not offering an EPO plan, and the impact of lowering the HDHP premium rates.

10. Review of the Trust Financial Status as of December 31, 2016

Elena Lacy with ECA reviewed the Trust's financial performance from January through December 2016. She reported that overall the Trust is doing well financially, and that the large claims make up 3.5% of the Trust's Medical/Rx claims.

11. Recommended Claim Funding Rates for 2017-18 and Pricing of Benefit Change Options

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

12. 2017-18 Renewal Discussion and Budget Building

Jaime Schulenberg with ECA reviewed the proposed 2017-18 budget going over the recommended changes, budget assumptions, and vendor renewals. The group discussed the following additional changes:

- Utilizing a funding factor of 7.5% and then increasing the overall premium rate increase to 3% for employee and 5% for the dependent tiers; and
- Adding a second buy-up vision plan to accommodate dependent children to age 26, if available. Ms. Schulenberg stated that we would have to go back to VSP to see if they can administer a second plan.
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13. Call to the Public

There were no comments from the public.

14. Adjourn

The meeting adjourned at 3:25 p.m.

Respectfully Submitted,

Elena Lacy
Recording Secretary