

ARIZONA METROPOLITAN TRUST
Minutes of Tuesday, April 24, 2018
Quarterly Trust Meeting

The following Trustees were present and a quorum was met:

Bryant Powell, Chairperson	City of Apache Junction
Mike Duran, Trustee	Buckeye Valley Fire District
Grady Miller, Trustee	Town of Fountain Hills
Gregory Stanley, Trustee	Pinal County
Cynthia Seelhammer, Trustee	City of Avondale
Bill Stephens, Trustee	City of Litchfield Park

The following Alternate Trustees were present:

Jinnett Hancock	Town of Paradise Valley
Dawn Kurek	City of El Mirage
Leo Lew	Pinal County
Kathy Reyes	City of Avondale
Liz Riley	City of Apache Junction
Carolyn Sellmeyer	City of Litchfield Park
Ray Temple	Buckeye Valley Fire District
David Trimble	Town of Fountain Hills

The following consultants/vendors were present:

Susan Betz	ECA
Michael Hensley	JS&H
Jacquelyn Ikonomov	ECA
Elena Lacy	ECA
Michael Schionning	Cheiron (via phone)
Dana Morris	AmeriBen (via phone)
Jaime Schulenberg	ECA

The following guests were present:

Patrick Banger	Town of Gilbert
Laurie Buckez	Town of Gilbert
Jolean Fleck	Town of Gilbert
Dr. Spencer Isom	
Gina Montes	City of Avondale

1. Call to Order

The meeting was called to order at 10:03 a.m. and Ms. Lacy began with roll call.

2. Town of Gilbert

Representatives from the Town of Gilbert provided a brief introduction and received information about AzMT from staff, Trustees and Alternate Trustees.

3. Discussion and Possible Action re Membership Application from Daisy Mountain Fire District

Ms. Schulenberg gave a brief overview of a membership application that was received from Daisy Mountain Fire for an effective day of July 01, 2018. Daisy Mountain has been working with Sun City Fire on a merger; however, Sun City wanted to make sure that they would not lose their membership in AzMT. Underwriting information was requested to determine if Daisy Mountain would be a fit and during that process, Daisy Mountain's broker requested underwriting on a single entity basis as well. Daisy Mountain has 100 members enrolled through their fully insured BCBSAZ medical program. Their benefits also include dental through Sunlife and life/AD&D through The Standard. Mike Schionning with Cheiron reviewed the underwriting process and noted that Daisy Mountain is not a financial fit for AzMT. However, if Daisy Mountain were to merge with Sun City, they would be a financial fit.

Trustee Miller made a motion to deny an offer of membership to Daisy Mountain Fire, seconded by Trustee Stanley and unanimously carried.

4. Approval of Meeting Minutes

Trustee Stanley made a motion to approve the February 13 Work Session, February 14 Regular, March 13 Special Telephonic and March 28, 2018 Special Telephonic Trust meeting minutes, seconded by Alternate Trustee Hancock and unanimously carried.

5. Discussion and Possible Action re Medical Claim Appeal #1

Ms. Lacy reviewed an appeal from an out-of-network surgical center on behalf of a member requesting additional payment. Based on the review by AmeriBen and ECA, the facility was paid according to the summary plan document.

Trustee Stanley made a motion to deny the appeal, seconded by Trustee Seelhammer and unanimously carried.

6. Discussion and Possible Action re Payment for Emergency Services Rendered Out of Network

Ms. Schulenberg reminded Trustees that a decision was made effective July 01, 2016 to use Medicare-Like Rates (MLRs) as the basis for payment for out-of-network facility charges. The Trust has reviewed a number of appeals from providers who are unhappy with the lower reimbursements, however, all of those appeals have been for planned services versus emergencies.

ECA was made aware of a member who experienced an emergency outside of the BCBSAZ network and was being balance billed an extraordinarily large amount because the claim had been adjudicated using MLRs as the basis for payment. However, ECA did not believe that was the Board's intent, since there is a provision within the plan document(s) to treat emergencies that occur outside the network based on the in-network schedule. As a result, Ms. Schulenberg contacted the Trust's actuary to determine whether there was any fiscal impact to revert back to the use of Usual, Customary and Reasonable (UCR) as the basis for payment for emergencies that occur outside the network; per Mike Schionning from Cheiron, there is no fiscal impact. ECA recommended that AmeriBen be authorized to use UCR pricing as the basis for any out-of-network emergency payments.

Trustee Stanley made a motion to change the payment methodology to Usual, Customary and Reasonable for emergency services rendered out-of-network effective July 01, 2018, seconded by Alternate Trustee Hancock and unanimously carried.

7. Discussion and Possible Action re Medical Claim Appeal #2

Ms. Lacy reviewed an appeal on behalf of a member from Tristate Care Flight, an out-of-network air transport service who is disputing a date of service from March 11, 2017 for additional payment. In this instance, the member had no choice of provider and needed immediate air evacuation following a car accident. The claim was processed correctly according to the SPD; however, ECA does not believe that it was the Trust's intent to process these types of claims with MLRs and based on the previous action item, it is ECAs recommendation to authorize AmeriBen to reprocess the claim using Usual, Customary and Reasonable as the basis for the payment.

Chairperson Powell made a motion to approve the appeal and authorize AmeriBen to reprocess the claim using UCR as the basis for payment, seconded by Trustee Seelhammer and unanimously carried.

8. Discussion and Possible Action re Eligibility Appeal

Ms. Lacy reviewed an appeal on behalf of a member to reinstate dental and vision coverage for a disabled dependent. The member did not elect the buy-up plans (which allow dependents to retain coverage to age 26) and did not notify his HR Department that his son was disabled. He learned that his son was terminated from the Basic Dental and Vision plans after taking him to the dentist and receiving an EOB showing his coverage terminated in July 2017 when the child turned 19. Although the member went to HR and filled out the appropriate disabled dependent paperwork after receiving the EOB, because it was well after the 31-day qualifying event date, coverage could not be reinstated. Information was provided during 2017-18 open enrollment that explained the difference in the two plans and the member had an opportunity at the time to elect the buy-up plans.

Chairperson Powell made a motion to deny the appeal, seconded by Trustee Stanley and unanimously carried.

9. Discussion and Possible Action re Subrogation Settlement

Ms. Schulenberg reviewed a request for a subrogation settlement that was received on behalf of an AzMT member, including the Phia Group's recommendation to counter offer of no less than \$19,000 with an option for ECA to work with the Trust Chairman and legal counsel to further negotiate if the counter is rejected.

Trustee Seelhammer made a motion to negotiate starting at \$25,000, but accept not less than \$19,000, seconded by Trustee Stephens and unanimously carried.

AzMT took a short break for lunch and reviewed a presentation from the Town of Gilbert regarding their employee benefit program.

10. Review of Surplus/Deficit Allocation Methodology

Susan Betz, CPA with ECA reviewed the Surplus/Deficit methodology with Trustees.

11. Discussion and Possible Action re Telemedicine Services

Ms. Schulenberg reviewed some concerns with the current telemedicine provider, Teladoc, which resulted in the Admin Group requesting ECA to obtain proposals for a new provider. Akos, the only vendor to respond, provides services via phone or computer and includes behavioral health services at a cost of \$1.25 PEPM with a \$39 consult fee versus the \$1.40 PEPM and \$45 consult fee through Teladoc. It was noted that Akos owns their own Urgent Care centers throughout the metro Phoenix area and some of the facilities are not contracted with BCBSAZ. ECA had concerns with that, including referrals to their own facilities to generate additional revenue, as well as referring patients to out-of-network facilities. In addition, ECA received only a single reference check back and it was from a very small (5-9 employees), private company.

Teladoc was made aware that AzMT was looking for other options based on concerns AzMT members have been expressing and they are eager to retain the business. They have offered to work with the Admin Group to address concerns, attend meetings and develop a marketing strategy.

Trustee Seelhammer made a motion to approve Akos pending their agreement to include contract language prohibiting referrals to out-of-network facilities and additional positive reference checks, seconded by Trustee Duran and unanimously carried.

12. Discussion and Possible Action re RFP for Medical Network

Ms. Schulenberg reminded Trustees that they discussed the possibility of taking the medical network out to bid following BCBSAZ's decision to mandate coverage of Mayo. Alternate Trustee

Reyes requested that this item be placed on the agenda for discussion about whether to pursue an RFP for network services.

Trustees discussed various network opportunities and ultimately thought it would be a fiduciary responsibility to look at the options and provided direction to ECA to move forward with the RFP.

13. Discussion and Possible Action re RFP for Broker/Consultant/Pool Administrator

Trustee Reyes asked for this item to be placed on the agenda for Trustees to discuss whether to take the Broker/Consultant/Pool Administrator out to bid.

Trustee Miller recommended that no action be taken at this time as ECA has been great partner for member entities and that he did not believe that this was a fiduciary obligation, but rather a partnership. Trustee Reyes explained that this was requested to be discussed by one of her Council members and that regardless of the decision, she needs to go back and say that it was discussed; Pinal County stated that they were in the same position with their Board of Supervisors.

The Trust's legal counsel, Mike Hensley, stated that someone within AzMT would have to conduct the RFP process.

The consensus was not to conduct an RFP for Broker/Consultant/Pool Administrator at this time.

14. Financial Update

Ms. Lacy reviewed the Trust's fund results as of February 28, 2018 noting that the Trust has reached 48% of their surplus goal.

Trustee Stanley made a motion to approve the January – February 2018 financials, seconded by Trustee Duran and unanimously carried.

15. Wellness Update

Ms. Ikonov reported on the completed, ongoing and upcoming wellness programming.

16. Administrative Update

Ms. Schulenberg reported on the following administrative items:

- Congratulations to Avondale and Maricopa who received the Gold HAWP award;
- Liz Riley and David Trimble will be serving on AmeriBen's President Council;
- AmeriBen indicated that they are not able to breakout their Milliman reporting by entity;
- The 2019-20 Renewal meeting has been scheduled for February 11-13 at the Rancho De Los Caballeros in Wickenburg;
- BCBSAZ recently advised us that Cancer Treatment Centers of America is now in the BCBSAZ network and that they were able to negotiate greater discounts than those they

have with Mayo so they are not anticipating any impact to members. ECA will monitor to see if there is a fiscal impact; and

- Please be sure to turn in the Renewal Resolutions by June 01.

17. Future Agenda Items

None at this time.

18. Set Next Meeting Date

The next regular quarterly meeting is set for August 28, 2018 at 10:00 a.m.

19. Call to the Public

No comments were made by the public.

20. Adjournment

The meeting adjourned at 12:55 p.m.

Respectfully Submitted,

Jaime Schulenberg
Recording Secretary