

ARIZONA METROPOLITAN TRUST
Draft – Minutes of Tuesday, February 12, 2019
Annual Renewal Work Session Meeting

The following Trustees were present and a quorum was met:

Greg Stanley, Chairperson	Pinal County
Grady Miller, Vice Chairperson	Town of Fountain Hills
Ron Deadman	Sun City Fire District
Mike Duran	Buckeye Valley Fire District
Crystal Dyches	City of El Mirage
Bryant Powell	City of Apache Junction

The following Alternate Trustees were present:

Jinnett Hancock	Town of Paradise Valley
Dawn Kurek	City of El Mirage
Lisa Neubert	Sun City Fire District
Fernanda Osgood	City of Maricopa
Kathy Reyes	City of Avondale
Mary Reynolds	Town of Youngtown
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:

Karla Anderson	Navitus
Erin Collins	ECA
Ann Coupland	DDAZ
Jen Edmondson	Blue Cross Blue Shield AZ
Courtney Falls	Curalinc
Jan Farfield	Teladoc
Mike Hensley	JS&H
Matthew Ingersoll	AmeriBen
Ray Jennings	AHG
Storm Kinion	ECA
Rachel McLouth	VSP
Chris Ludwiczak	Cheiron
Jayne Merlino	ECA
Laura Phillipson	Navitus
Mike Schionning	Cheiron
Kelly Schoonmaker	AmeriBen
Jaime Schulenberg	ECA
Michele Soules	Blue Cross Blue Shield AZ

The following guests were present:

Dawn Buckland

Town of Paradise Valley

Call to Order

The meeting was called to order at 8:33 a.m. and began with introductions.

1. Welcome and Introductions

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

2. AzMT History, Structure & Operating Principles

Erin Collins from ECA gave an overview of the history of AzMT including it's founding members, current membership, founding premises, how it is governed and financial goals and performance. Mr. Collins also discussed the significant differentiators between AzMT's governance and that of other pools in the State. In conclusion, he showed the average rate increase since the inception of AzMT to be only 1.48% with a healthy cash surplus as of 12/31/18 of \$9,138,012.

3. 2018 Medical Claims Review

Matt Ingersoll, Director of Account Management from AmeriBen, thanked the Trust for their continued business and the opportunity to continue to provide services to the entities. Kelly Schoonmaker from AmeriBen provided an executive summary of the Trust's medical claims including the Plan Performance, Network Utilization, and Customer Care Performance. Ms. Schoonmaker reported the "speed to answer time" begins with "Thank you for calling" to "hold" to "How can I help you." First call resolution is key and a priority for AmeriBen; this has decreased turnover at the call center. Ms. Schoonmaker noted an overall good year for claims.

4. 2018 BCBSAZ Review

Michele Soules and Jen Edmonson from Blue Cross Blue Shield of Arizona (BCBSAZ) provided information on the network of providers along with information regarding their resources and support. The executive summary included network savings, plan utilization and an update on Mayo. It also included information about optional Blue Card which provides national access and is available at an additional cost in 2020. The summary included the renewal rates and guarantees for the next three years beginning July 1, 2019.

5. 2018 Utilization and Case Management Review

Ray Jennings from American Health Group (AHG) reviewed the inpatient and case management summary reports noting, among other things, the number of admissions and number of members in and completing case management.

6. 2018 Prescription Claims Review

Laura Phillipson and Karla Anderson with Navitus provided an overview of the prescription claims through December 2018 which included an executive summary of Key Performance Metrics & Trend, 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. Items of note included:

- In 2018, Specialty Rx accounted for \$2,038,999 of Plan Paid with Humira being the biggest driver of the specialty trend in 2018;
- In the fourth quarter there were 15 members/42 scripts totaling \$224,340 for Humira;
- Navitus reported Humira requires prior authorization; therefore, usage is deemed appropriate.

Ms. Anderson also reviewed opioid changes for 2019.

7. 2018 Dental Claims Review

Ann Coupland with Delta Dental of Arizona provided a summary of the dental claims through December 2018.

8. 2018 Vision Claims Review

Rachel McLouth with VSP provided a summary of plan performance including in and out of network claims and optical purchasing trends through December 2018. Ms. McLouth also reported glaucoma and diabetic patients can visit their VSP doctor as often as they want with only a \$20.00 co-pay.

9. 2018 Telemedicine Review

Jan Farfield with Teladoc provided a summary of claims savings and utilization through December 2018. Ms. Farfield also reported on member activity and how they received care. She further reported the demographics of care and when it was most utilized. Ms. Farfield discussed year over year utilization trends for July 2016 through June 2019. In conclusion she discussed the need to ensure employees are educated about telemedicine, plan utilization and providing continuing education to the members.

10. 2018 EAP Review

Courtney Falls from Curalinc reviewed the Trust's employee assistance program through December 31, 2018, noting the core components of the program, promotions, participation and engagement strategies.

11. 2018 Wellness Review

Jayne Merlino with ECA presented the AzMT L.I.V.E. program review covering a health snapshot of medical claims, chronic conditions, pharmacy claims, and data from the HRA's. Ms. Merlino also reviewed the wellness programs including preventative screenings and services, FitBit program, Nuuaria for weight-loss and Livongo for the Diabetes program. In conclusion she offered recommendations regarding musculoskeletal disorders program, increased Livongo participation and clarification of goals, as well as options for the weight management program.

12. Legal Update

Michael Hensley, the Trust's attorney from Jones, Skelton & Hochuli, provided an update on current legal issues and trends and annual Trustee training emphasizing the importance of Trustee fiduciary duties.

13. Review of the Trust Financial Status as of December 31, 2018

Storm Kinion with ECA reviewed the Trust's financial performance through December 2018. She reported that overall the Trust is doing well financially.

14. Recommended Claim Funding Rates for 2019-20 and Pricing of Benefit Change Options

Michael Schionning, AzMT's actuary from Cheiron, reviewed the rate development, proposed claim funding rates, proposed benefits changes, projection methodology and plan experience.

15. 2019-20 Renewal Discussion and Budget Building

Ms. Schulenberg reviewed the proposed 2019-20 budget going over the recommended changes, budget assumptions and vendor renewals. The Trustees proposed adding a hearing aid benefit with a \$1,000 lifetime limit, and genetic testing in addition to the recommended increase to the HDHP deductible and elimination of the \$500.00 preventive benefit in favor of providing all on-site wellness programs with no member cost; those changes resulted in an overall increase of just under .7% on the EPO and PPO plans and a decrease to the HDHP premium. There was discussion regarding the proposed rate increases requested by BCBSAZ and Avondale requested ECA to lower their wellness consulting fee in exchange for providing a reduced level of service. Trustees felt that asking ECA to put together an alternative proposal "on the fly" wasn't a good idea and instead suggested that a stepped approach with varying levels of service and pricing be reviewed in the coming year.

16. Call to the Public

There were no comments from the public.

17. Adjourn

The meeting adjourned at 4:17 p.m.

Respectfully Submitted,
Storm Kinion
Recording Secretary