

ARIZONA METROPOLITAN TRUST
Draft – Minutes of Wednesday, February 13, 2019
Trust 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
Mike Hensley	JS&H
Storm Kinion	ECA
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
Christine Trent	Appellant (Via Telephone)

1. Call to Order

The meeting was called to order at 9:03 a.m.

2. Discussion and Possible Action re Medical Claim Appeal

The appellant appeared via phone and agreed for the appeal to be heard during open session. Ms. Schulenberg reviewed the appeal requesting additional payment on services rendered by an air ambulance company. Based on the review by AmeriBen and ECA, the charges were processed correctly, however, Trustees approved payment of out-of-network emergency charges using Usual, Customary and Reasonable (UCR) as of July 01, 2018. Ms. Schoonmaker, AmeriBen, confirmed that the member was being balance billed by the air ambulance carrier. Since the charges were incurred prior to July 01, 2018, ECA recommended reprocessing of the claim using UCR.

Alternate Trustee Reyes made a motion to approve and pay the appeal using UCR, seconded by Trustee Powell and unanimously carried.

Ms. Schulenberg will send the approval letter for the claim to be reprocessed.

3. Discussion and Possible Action re Dental Claim Appeals

Ms. Schulenberg reviewed an appeal on behalf of a member who is requesting reconsideration of a dental claim which was denied by Delta Dental based on review by two different consultant/dentists who determined the crowns were necessary as a result of wear or decay, which is not a covered benefit. The member's understanding is that the fractures were not the result of wear or decay and therefore should be covered. Mr. Hensley inquired if additional information, i.e. photos of the teeth, were requested from the appellant. The consensus was that no photos were requested and prior to a decision being made the appellant needed to be afforded the opportunity to provide additional evidence for his appeal.

Trustee Powell made a motion to table the appeal and directed ECA to request additional information, seconded by Trustee Duran and unanimously carried.

4. Approval of the November 27, 2018 Regular Trust Meeting Minutes

Chairperson Stanley noted the minutes were previously provided to Trustees for review and revision. No requests for changes were received by ECA.

Trustee Powell made a motion to approve the November 27, 2018 regular meeting minutes as previously provided, seconded by Trustee Duran and unanimously carried.

5. Approval of the October through November 2018 Financials

Ms. Schulenberg provided a brief overview of the financial status of the Trust as of 11/30/18.

Vice Chairperson Miller made a motion to approve the October through November 2018 financials, seconded by Alternate Trustee Reyes and unanimously carried.

6. Discussion and Possible Action re Membership Application of Casa Grande

AzMT received a membership application from the City of Casa Grande for an effective date of July 01, 2019. Casa Grande currently meets the minimum requirements for membership. After review of all the information provided, Mike Schionning of Cheiron reports Casa Grande is not currently a financial fit for AzMT. At the request of Casa Grande, Mr. Schionning developed a separate rate structure that could be implemented to cover the potential financial risk to the Trust. Ms. Schulenberg and Mr. Collins acknowledged that this was outside the “norm” for AzMT in terms of its philosophy on new members, however noted that the use of the rate structure as developed by the actuary protected the Trust. Discussion ensued regarding concern over the necessity to increase Casa Grande’s funding factor to offset adverse claims experience; despite a desire to partner with Casa Grande, it was determined they would not be a good fit at this time.

Vice Chairperson Miller made a motion not to extend membership to the City of Casa Grande, seconded by Alternate Trustee Reyes and unanimously carried.

7. Discussion and Possible Action re Medical Network RFP

Ms. Schulenberg reviewed the responses from the (4) carriers – Aetna, Blue Cross Blue Shield of AZ (BSBCAZ), Cigna, and United Healthcare, who were sent the Request for Proposal (RFP).

All carriers but BCBSAZ declined to quote for the following reasons:

Aetna – Declined to quote as they work with Meritain as the TPA and not AmeriBen.

Cigna – Declined to quotes as they are their own TPA and do not work with AmeriBen.

United Healthcare – Declined to quote as they do not lease their network. This has been determined not to be the case; misinformation was given.

BCBSAZ – Has provided the leased network since the inception of the Trust on July 01, 2012.

ECA recommends the Trust reject “all” quotes and review alternative options over the course of the next year at the direction of Trustees.

Vice Chairperson Miller made a motion to reject all quotes and review all options for the future with ECA to go back and research other options, seconded by Trustee Powell and unanimously carried.

8. Discussion and Possible Action re Claims Audit

Ms. Schulenberg reported AzMT has utilized the services of AmeriBen to provide claims processing since inception, July 01, 2012. ECA believes that even though AmeriBen utilizes an outside firm to audit claims, it would be beneficial and fiscally prudent to engage a third-party to conduct a claims audit on AmeriBen on behalf of AzMT. ECA has obtained quotes for a claims audit RFP on which AzMT could piggyback. Trustee Duran inquired as to the purpose of such an

audit. Mr. Collins reported these audits are to ensure claims are being handled according to the Summary Plan Document.

Alternate Trustee Reyes made a motion to move forward with a claims audit as presented, seconded by Vice Chairperson Miller and unanimously carried.

9. Approval of 2019-20 Vendor Contract Amendments

Ms. Schulenberg reviewed the vendor renewals which will be effective July 01, 2019, reiterating Delta Dental and ECA were 2-year rate guarantees. She also reconfirmed that although BCBSAZ has offered a 3-year rate guarantee, the Trust can be released with no penalties in accordance with the contract. Alternate Trustee Reyes inquired about ECA providing a stepped wellness plan at a lower fee; Ms. Schulenberg indicated it was her understanding that was something that would be developed and presented to the Wellness Subcommittee for discussion during the coming year.

Alternate Trustee Reyes made a motion to approve the 2019-20 vendor contracts as presented, seconded by Trustee Powell and unanimously carried.

Recess 10:01 a.m.

Reconvene 10:08 a.m.

10. Approval of 2019-20 Benefits and Rates

Ms. Schulenberg reviewed the benefits and rates from the work session meeting which included:

Medical/Rx

- Add Hearing Aids with a Lifetime Max of \$1000, resulting in a 0.1% increase.
- Add Diagnostic Genetic Testing (is only covered if medically necessary to help form the treatment plan for a member) resulting in a 0.1% increase.
- Eliminate \$500 Preventative Benefit and pay all onsite Wellness Screenings at 100%.
- Increase the HDHP deductible to \$2,700/\$5,400 and take a rate reduction.
- Increase premium by an additional by .3% to help grow surplus.

These changes resulted in a total increase of 1% across the board to to the EPO and PPO Medical/Rx premiums and a reduction to the HDHP premium.

Dental

Remove “implants be bound on both sides by Natural teeth; subject to 5-year interval”; premiums will increase by 6.6%.

Vision

No changes were made to the vision plan; however, the premiums will increase by 1.1% due to utilization.

Life Insurance

- Basic Life Premium will increase from \$.066 to \$.076 an increase of \$.01. There are no changes to Basic AD&D, Supplemental Life or Voluntary AD&D.

Alternate Trustee Osgood requested clarification on the intent of the agenda item as she could not approve the recommended additional increase of .03%. Ms. Schulenberg confirmed that the intent was for the benefits and rates to be approved with this item.

ECA will create and provide a flyer explaining the increase in the HDHP deductible.

Alternate Trustee Reyes made a motion to approve the 2019-20 benefits and rates as presented, seconded by Vice Chairperson Miller and passed by majority, with Maricopa voting no.

11. Admin Update

Ms. Schulenberg reported on the following admin items:

- ECA met with Goodyear to present AzMT as an option for consideration; although impressed with the program and financial status, they are in good financial position and therefore have declined further consideration at this time;
- ECA will be meeting with Peoria in March and Tolleson in April to present AzMT as an option for consideration;
- Fountain Hills Sanitary District will be submitting a membership application; and
- ECA received notification that AmeriBen discovered a disclosure of Protected Health Information (PHI). An address was entered incorrectly resulting in the wrong person receiving mail for an AzMT member. The PHI was destroyed by the recipient. This disclosure did not breach security or privacy as defined by HIPAA. This for informational purposes only.

12. Future Agenda Items

- Medical Network and Teladoc RFP.

13. Set Next Meeting Date

The next meeting is scheduled for April 23, 2019 at 10:00 a.m.; location to be determined.

14. Call to the Public

No comments were made by the public.

15. Adjourn

Chairperson Stanley adjourned the meeting at 10:43 a.m.

Respectfully Submitted,
Storm Kinion
Recording Secretary