

**ARIZONA METROPOLITAN TRUST**  
**Draft – Minutes of Wednesday, August 18, 2020**  
**Trust Meeting**

**The following Trustees were present and a quorum was met:**

|                                  |   |
|----------------------------------|---|
| Grady Miller, Chairperson        | Town of Fountain Hills                      |
| Crystal Dyches, Vice Chairperson | City of El Mirage                           |
| Vince Lorefice                   | Town of Wickenburg (Joined after roll call) |
| Charles Montoya                  | City of Avondale                            |
| Bryant Powell                    | City of Apache Junction                     |

**The following Alternate Trustees were present:**

|                  |   |
|------------------|---|
| Jinnett Hancock  | Town of Paradise Valley                     |
| Dawn Kurek       | City of El Mirage                           |
| Leo Lew          | Pinal County                                |
| Tarah Mayerhofer | Town of Wickenburg (Joined after roll call) |
| Kathy Reyes      | City of Avondale                            |
| Liz Riley        | City of Apache Junction                     |
| Susan Slagle     | City of Litchfield Park                     |
| Jackie Temple    | Buckeye Valley Fire District                |
| David Trimble    | Town of Fountain Hills                      |

**The following consultants/vendors were present:**

|                   |                         |
|-------------------|-------------------------|
| Erin Collins      | ECA                     |
| Mike Hensley      | Jones Skelton & Hochuli |
| Storm Kinion      | ECA                     |
| Jayme Merlino     | ECA                     |
| Kelly Schoonmaker | AmeriBen                |
| Jaime Schulenberg | ECA                     |
| Courtney Smith    | AmeriBen                |
| Michelle Suckow   | CTI                     |
| Scott Gregory     | AJG                     |

**The following guests were present:**

|                  |                  |
|------------------|------------------|
| Kathleen Markham | Pinal County     |
| Cherlene Penilla | City of Avondale |
| Heather Patel    |                  |
| Rochelle Ramirez |                  |
| Matt Warner      | City of Avondale |

**1. Call to Order**

The meeting was called to order at 10:34 a.m.

## **2. Roll Call**

### **Approval of the AzMT Consent Agenda**

3. April 29, 2020 Regular Meeting Minutes
4. AmeriBen Reports through June 30, 2020
5. BlueCross BlueShield Reports through June 30, 2020
6. Navitus Reports through June 30, 2020
7. Delta Dental Reports through June 30, 2020
8. VSP Reports through June 30, 2020
9. EAP Reports through June 30, 2020
10. Teladoc Reports through June 30, 2020

*Vice Chairperson Dyches made a motion to approve the AzMT Consent Agenda, seconded by Trustee Montoya and unanimously carried.*

## **11. Election of Officers**

Chairperson Miller reported there needed to be a nomination of Chairperson, Vice Chairperson and Recording Secretary for AzMT.

*Alternate Trustee Reyes made a motion to nominate Trustee Montoya for Chairperson, seconded by Trustee Powell and unanimously carried.*

Ms. Schulenberg confirmed that Vice Chairperson Dyches could remain in the position of Vice Chair and recommended reaffirming.

*Trustee Montoya nominated and made a motion to reaffirm Trustee Dyches to the position of Vice Chairperson, seconded by Alternate Trustee Hancock and unanimously carried.*

Chairperson Miller asked for a nomination and motion for the position of Recording Secretary for the Board.

*Vice Chairperson Dyches nominated and made a motion to reaffirm ECA as the Recording Secretary, seconded by Trustee Powell and unanimously carried.*

## **12. Discussion and Possible Action re ECA Merger/Acquisition by Gallagher**

Mr. Collins provided an overview of the merger between ECA and Gallagher Benefits Services (GBS) that included:

- The background of ECA and the mutual core values between GBS and ECA;
- No changes in staffing assignments, including Mr. Collins continuing to lead the practice;
- The terms of the current ECA agreement remain unchanged; and

- Name change to Erin P. Collins & Associates, a Gallagher Company, through the remainder of the fiscal year, then Gallagher July 1, 2021.

Mr. Gregory provided an overview of Gallagher and noted the merger between ECA and Gallagher is a strong cultural fit with shared values.

Mr. Collins asked the Board to vote on assigning ECA's contract with the Trust to Gallagher effective September 1, 2020 and authorize the Chairperson to work with Legal to execute any documents necessary to complete the assignment.

*Trustee Montoya made a motion to accept the assignment, seconded by Alternate Trustee Temple and unanimously carried.*

*Trustee Montoya made a motion to authorize the Chairperson to execute documents needed to complete the assignment, seconded by Alternate Trustee Temple and unanimously carried.*

### **13. Medical Claim Appeal #1**

Ms. Schulenberg reviewed an appeal from a member who is requesting additional payment from an out-of-network emergency surgeon. Ms. Schulenberg summarized the appeal stating the member was admitted to the hospital with a ruptured appendix requiring emergency surgery. The hospital was in-network; the surgeon was out-of-network. AmeriBen processed the claims as though they occurred in-network and paid based on Usual, Reasonable and Customary. The out-of-network surgeon is balance billing the member for \$28,020.25. The member is requesting the Trust reconsider its payment methodology and pay the bill in full. The claims were paid accurately based on the Summary Plan Document and ECA recommended denial of the appeal.

The appellant's spouse, on behalf of the appellant, reiterated the hospital was in-network and they were there for an emergency and would have no way of knowing if the surgeon was in- or out-of-network with no choice due to the necessity of the emergency surgery. Trustee Montoya asked if it would set a precedent if the Trust approved paying the balance bill. Mr. Hensley reminded Trustees that if there were legal questions, the Trust needed to go into Executive Session. Trustees requested an overview of Appeal #2 before adjourning to Executive Session so they could address any legal questions in a single session.

### **14. Medical Claim Appeal #2**

Ms. Schulenberg reviewed an appeal from a member who is requesting coverage for occupational and speech therapy. Ms. Schulenberg summarized the appeal stating the member is a minor child who was receiving occupational and speech therapy under the AzMT plan beginning in 2018. In January 2020, American Health Group (AHG) was asked to review a request to extend therapy beyond the Plan limit; at that time, AHG noted such therapy was excluded from coverage under the Plan based on the diagnosis. Ms. Schulenberg further reported the original request for pre-certification was submitted with a diagnosis of developmental delay and was denied as a specific exclusion to the Plan. Subsequently, the provider submitted claims under the diagnosis of ADHD, which is covered by the plan. When the request for additional services was received by AHG in January 2020, the change from developmental delay to ADHD was flagged as a possible means to obtain coverage where none existed. ECA worked with legal counsel and requested additional information from the parent. The appellant provided responses, however, AmeriBen stated the

responses were not enough to reconsider the claims. ECA reached out for further clarification and is waiting for a response.

The appellant began by stating she did not know how diagnosis/treatments are billed. She explained her child began treatments over 6 years prior and was diagnosed with ADHD in 1<sup>st</sup> grade. She explained when he is treated for his ADHD, they address his physical needs as well as his mind. She further explained her child is 11 years old and functions as a 5 or 6-year-old. She concluded by stating his ADHD therapy will help him function as an adult. ADHD is known to affect mental health in the future so therapy for the ADHD will help with mental health later.

*Vice Chairperson Dyches made a motion to go into Executive Session, seconded by Alternate Trustee Hancock and unanimously carried.*

**Public Session Ended:** 11:20 a.m.

**Executive Session** 11:20 a.m.

**Executive Session Ended** 11:43 a.m.

**Reconvene Open Session** 11:44 a.m.

*Trustee Montoya made a motion directing staff to ask the appellant of Medical Claim #1 if they were notified the surgeon was out-of-network and further to attempt to negotiate the surgeon bill with no balance billing, , seconded by Trustee Powell and unanimously carried.*

*Vice Chairperson Dyches made a motion to table Medical Claim #2 to allow staff to review the additional requested medical information, seconded by Trustee Montoya and unanimously carried.*

## **15. Ratification of Medical Claim Appeal**

Ms. Schulenberg reminded the Board about the appeal at the last meeting from a provider for payment of psychological testing that was approved on behalf of a dependent covered on the Plan. After the provider and member were notified of the decision, ECA learned that the appeal had been submitted on behalf of two children however, AmeriBen only considered one of them an appeal due to human error. This resulted in outstanding claims for one child based on the same conditions from the appeal heard by the Board; as such, Ms. Schulenberg reached out to Chairperson Miller who agreed with the recommendation to pay the outstanding claim. Ms. Schulenberg requested the Board ratify the decision to pay the claim.

*Trustee Montoya made a motion to ratify payment for psychological testing related to a medical claims appeal previously approved by the Board, seconded by Vice Chairperson Dyches and unanimously carried.*

## **16. Discussion and Possible Action re Medical Claims Audit**

Michelle Suckow from Claims Technology, Inc. (CTI) reviewed the Executive Summary of the Claims Administration Audit conducted on behalf of AzMT. CTI audited AmeriBen's claims administration of the AzMT medical plans for the period of January 1, 2018 through December

31, 2018. There were 84,285 claims that were paid/denied/adjusted totaling \$19,349,133. The audit included:

- Random Sample Audit of 125 claims
- 100% electronic screening with 40 targeted samples
- Plan Documentation Analysis
- Operational Review
- Data Analytics
- Incurred But Not Paid Reserve Estimation

Ms. Suckow reviewed the Key Performance indicators explaining AmeriBen fell in the 2<sup>nd</sup> quartile, or just under the median in all three categories which include: Financial Accuracy, Accurate Payment, and Accurate Processing. She did point out that while they were under the median, they were only under the median in 2 categories by less than 1% and just over 1% in the third. Ms. Suckow further reported that that benefits are being adhered to very well. She also pointed out that AmeriBen uses pre-payment high dollar claim review procedures for claims billed in excess of \$25,000 or paying \$10,000 or greater, commenting that this is an excellent practice that most TPA's do not have in place. She also reported that 99% of claims were submitted electronically which is excellent, however, only 30 – 35% are auto-adjudicated; this number is normally closer to the low 80's. In conclusion Ms. Suckow recommended AmeriBen work with CTI with the remaining allotted audit hours to review the errors and determine the best plan to correct them.

Chairperson Miller stated he would like ECA to come back to the Board and report on the plan of action for AmeriBen and report on the findings.

*Trustee Powell moved to direct staff to report to the Board the AmeriBen plan of action and findings, seconded by Trustee Montoya and unanimously carried.*

#### **17. Ratification of 2020-21 Reinsurance Renewal**

Ms. Schulenberg reported that after taking the 2020-21 reinsurance out to market, ECA renewed with HCC effective July 1, 2020. There were several carriers that declined to bid due to the loss experience in 2019-20, but ECA did receive quotes from three carriers. The original HCC quote came in at +25% with 3 lasers, however, ECA was able to negotiate an 9.9% with the same specific and aggregating deductible of \$240,000 and \$200,000 respectively. The policy also includes one laser of \$400,000 for a member with ongoing claims. Ms. Schulenberg requested the Board ratify the reinsurance renewal.

*Trustee Powell made a motion to ratify the reinsurance renewal, seconded by Trustee Montoya and unanimously carried.*

#### **18. Ratification of Telemedicine COVID-19 Benefit**

Ms. Schulenberg reminded the Board they had voted to waive the consultation fee for Teladoc through June 30, 2020 considering the coronavirus pandemic. As that date was approaching with no slow to the virus, ECA worked with the Trust Chairman to extend the waiver through December 31, 2020; this is in line with the CARES Act. Ms. Schulenberg requested Trustees ratify this decision.

*Trustee Montoya made a motion to ratify the decision to extend the waiver of the Teladoc consultation fee through December 31, 2020, seconded by Trustee Powell and unanimously carried.*

#### **19. Discussion and Possible Action re 2020-21 Risk Management Plan (RMP)**

Ms. Schulenberg reported the Plan of Risk Management (RMP) is a document prepared on an annual basis which outlines the Trust's history, organizational structure, financial performance for the prior plan year, and work goals for the current plan year. The goals for 2020-21 include:

- COVID-19 Monitoring;
- Ongoing compliance with healthcare reform;
- Marketing to New Members;
- Entity Membership Renewals;
- Vendor Contract Updates;
- Auditor RFP;
- Review of Membership Guidelines;
- Wellness Program;
- Innovation;
- Surplus Goal;
- Medical/Rx Reinsurance Review; and
- Trustee Education/Annual Renewal Meeting.

Ms. Schulenberg reported there are five entities up for renewal for July 1, 2021 and indicated that all of the vendor contracts will be updated to clean up language and include Cyber Liability coverage. Trustee Powell commented on the importance of having a Risk Management document.

*Trustee Montoya made a motion to approve the 2020-21 Risk Management Plan, seconded by Alternate Trustee Hancock and unanimously carried.*

#### **20. Approval of the March through June 2020 Financials**

Ms. Kinion reviewed the financials through June 2020, noting expenses exceeded revenue by \$58,007, with a monthly financial position of \$27,607 and a YTD cash position of (\$1,572,340).

- Interest Income was under budget for the month as a result of emergency action taken by the Federal Government in March. They reduced short term interest rates to zero in an effort to stimulate the economy.
- On the Medical Claims side, all plans are over budget due to large claims. In the month of June there were 4 new large claims totaling \$696,944 YTD.
- Rx is running over budget due to high utilization and specialty medications on all plans. In June there were 42 specialty medication fills totaling \$299,865.
- The decline in dental claims is likely due to a decrease in office visits as a result of COVID-19.
- As with dental, continued low vision claims are likely due to COVID-19.
- The census is running over budget causing an increase in those expenses paid on a per employee per month basis.

- The Trust has 38 large claims running over 50% of the specific deductible.
- The Trust ended the plan year at 108% of the total budget.

*Trustee Powell moved to approve the March through June 2020 financials, seconded by Trustee Montoya and unanimously carried.*

## **21. Wellness Update**

Ms. Merlino provided a summary on the completed programs which included Journey Through Space MoveSpring Challenge; out of 72 members who opted in, 85% were active and syncing throughout the challenge, exceeding their goal of 2,800 miles by about 200 miles. Ms. Merlino reported the Quarterly WPC Meeting was held July 30, 2020. She explained that while wellness has slowed some due to COVID-19, they are researching creative and innovative ways to help keep people active. Ms. Merlino reviewed on the ongoing programs reporting there are currently 35 members enrolled in the Diabetes Management Program, Livongo; the Wellness Coordinators were informed there are 25 spots available. The Data Sharing Agreement is fully executed between ECA and Livongo allowing ECA to receive data from the program to evaluate success.

## **22. Administrative Update**

Ms. Schulenberg reported ECA has arranged to receive bi-weekly reporting from AmeriBen on COVID-19 testing and treatment claims. To date, 1,083 tests have been administered with 63 positive results; the cost to date is \$424,564.

The Trust's auditor is now requesting the Trustees sign an updated Conflict of Interest form annually. Forms will be emailed to Trustees and Alternates for completion.

AzMT has used the same auditor, Douglas Kienitz, since inception on July 01, 2012. ECA recommends taking audit services out to bid to compare services.

Ms. Schulenberg also reported an AzMT beneficiary reached out regarding coverage for evaluation and diagnosis of developmental disabilities in children. The member requested ECA share with the Board:

*1 in 54 children and 1 in 34 boys is diagnosed with autism. Under the current plan, parents of children with developmental disabilities must pay out of pocket to have their child evaluated and diagnosed. For my two children the cost would have been over \$4,000 out of pocket. Such a significant financial barrier will deter parents from seeking an evaluation and consequently having a negative impact on children.*

ECA will consider coverage as part of the 2021-22 renewal.

The annual AmeriBen conference has been cancelled due to COVID-19.

The 2021-22 Renewal Meeting is scheduled for February 22-24, 2021 at Rancho de los Caballeros. ECA will keep the Board apprised as the COVID-19 situation continues.

Ms. Schulenberg reminded members to send PHI in a secure fashion. If unable to do so via email ECA does have a secure fax line to use 877.866.5732.

**23. Future Agenda Items**

N/A

**24. Set Next Meeting Date**

The next meeting is to be determined; ECA will poll Trustees for either December 1, 2020 or December 8, 2020 at 10:30 am. Location TBD (in person or virtual).

**25. Call to the Public**

N/A

**26. Adjourn**

*Trustee Powell made a motion to adjourn at 12:54 p.m., seconded by Trustee Montoya and unanimously carried.*

Respectfully Submitted,  
Storm Kinion  
Recording Secretary