

ARIZONA METROPOLITAN TRUST
Minutes of Tuesday, February 11, 2020
Annual Renewal Work Session Meeting

The following Trustees were present and a quorum was met:

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|---------------------------|------------------------------|
| Grady Miller, Chairperson | Town of Fountain Hills |
| Jeanne Blackman | Youngtown |
| Ron Deadman | Sun City Fire District |
| Mark Burdick | Buckeye Valley Fire District |
| Crystal Dyches | City of El Mirage |
| Bryant Powell | City of Apache Junction |

The following Alternate Trustees were present:

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|-----------------|------------------------------|
| Jinnett Hancock | Town of Paradise Valley |
| Dawn Kurek | City of El Mirage |
| Leo Lew | Pinal County |
| Lisa Neubert | Sun City Fire District |
| Fernanda Osgood | City of Maricopa |
| 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:

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|---------------------|---------------------------------|
| Karla Anderson | Navitus |
| Ann Coupland | Delta Dental |
| Nikita Francis | Navitus |
| Mike Groeger | Blue Cross Blue Shield AZ |
| Mike Hensley | Jones Skelton & Hochuli |
| Jennifer Huppenthal | American Health Group |
| Ray Jennings | American Health Group |
| Storm Kinion | ECA |
| Rachele Martin | Blue Cross Blue Shield AZ |
| Rachel McLouth | VSP |
| Jayme Merlino | ECA |
| Laura Phillipson | Navitus |
| Trent Rainey | Teladoc |
| Mike Schionning | Cheiron |
| Kelly Schoonmaker | AmeriBen |
| Jaime Schulenberg | ECA |
| Courtney Stone | Curalinc (For her presentation) |

The following guests were present:

| | |
|--------------------|-------------------------|
| Vince Lorefice | Town of Wickenburg |
| Tarah Mayerhofer | Town of Wickenburg |
| MaryEllen Sheppard | Pinal County |
| Matthew Warner | City of Avondale |
| Matthew Williams | City of Litchfield Park |

Call to Order

The meeting was called to order at 9:03 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 the meeting.

2. 2019 Medical Claims Review

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 Network continues to perform strongly; the Plan is experiencing excellent utilization of preventive care. She also reported it's important to continue to educate regarding the use of Emergency Room care vs. Urgent Care, Primary Care and Telemedicine.

3. 2019 BCBSAZ Review

Mike Groeger from Blue Cross Blue Shield of Arizona (BCBSAZ) provided information on rate stabilization and the value partnership between BCBSAZ and AzMT offers. He also provided a summary on micro hospitals and the disruption in benefits they could cause to the Plan. He encouraged AzMT to educate their members to understand the difference so they can make informed choices to reduce costs. Rachele Martin from BCBSAZ provided an executive summary included network savings, the value of the Blue discount and plan utilization. Ms. Martin also reviewed the renewal rates and guarantees for the next two years beginning July 1, 2020.

4. 2019 Utilization and Case Management Review

Ray Jennings introduced Jennifer Huppenthal from American Health Group (AHG). In response to a request to review AmeriBen's bundled medical management as an option, Ms. Huppenthal began by providing an overview of her credentials as well as that of the nursing staff. She pointed out that AHG is URAC accredited and uniquely positioned to provide any assistance AzMT needs to manage its complex medical cases through their unbundled approach. She then gave an overview of the inpatient and case management summary reports noting, among other things, the number of admissions and number of members in and completing case management.

10:26 a.m. Break from Vendor Presentations

10:39 a.m. Resume Vendor Presentations

5. 2019 Prescription Claims Review

Laura Phillipson, Karla Anderson and Nikita Francis with Navitus provided an overview of the prescription claims through December 2019 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 2019, Specialty Rx accounted for \$1,149,637 of Top Drugs by Plan Paid with Humira being the continued biggest driver of the specialty trend in 2019;
- Stelara had the largest increase in Plan Paid PMPM of 249.6%.

Ms. Francis provided a Summary of Recommendations including:

- Implementing a Transition letter Pilot Program (new members only); and
- Implementing Copay Max.

Ms. Francis reviewed both recommendations in detail explaining how both items could be beneficial to the plan and its members.

6. 2019 Dental Claims Review

Ann Coupland with Delta Dental of Arizona provided a summary of the dental claims through December 2019. Ms. Coupland also reported that the in-network usage was excellent among AzMT members.

7. 2019 Vision Claims Review

Rachel McLouth with VSP reported there would be no increase or benefit changes for the upcoming renewal. She then provided a summary of the plan design, plan performance, including in and out of network claims, and optical purchasing trends through December 2019. Ms. McLouth also reported on conditions detected during eye exams including: Hypertension, Diabetic Retinopathy and High Cholesterol among others.

8. 2019 Telemedicine Review

Trent Rainey with Teladoc provided a detailed review of key innovations for 2020 including Text/Chat, enhanced scheduling and women's health. He also provided a summary of claims savings and utilization through December 2019. Mr. Rainey also reported on member activity and how they received care, demographics of care and when it was most utilized. Mr. Rainey discussed year over year utilization trends for 2017 through 2019. In conclusion he discussed the need to ensure employees are educated about telemedicine, plan utilization and providing continuing education to the members.

9. 2019 EAP Review

Courtney Stone from Curalinc reviewed the Trust's Employee Assistance Program through December 31, 2019, noting the core components of the program, promotions, utilization rate and engagement strategies. In conclusion she provided a comprehensive review of the new web portal and Emotional Fitness Coaching ('Text Therapy').

12:14 p.m. Lunch

1:35 p.m. Return from Lunch

10. 2019 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 wellness subcommittee, preventive screenings and services, FitBit program, Livongo for the Diabetes program, and Omada for weight-loss.

11. Review of the Trust Financial Status as of December 31, 2019

Storm Kinion with ECA reviewed the Trust's financial performance through December 2019. The negative Fiscal YTD Cash Position is due to continued large claims.

12. Recommended Claim Funding Rates for 2020-21 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.

2:41 p.m. Break

2:55 p.m. Resume from Break

13. 2020-21 Renewal Discussion and Budget Building

Ms. Schulenberg reviewed the proposed 2020-21 budget including recommended changes, budget assumptions and vendor renewals. The Trustees were in favor of the following changes to benefits for 2020-21 plan year.

Medical/Rx

EPO

- Increase Deductible from \$250/\$500 to \$300/\$600
- Increase Out-of-Pocket Max from \$2,500/\$5,000 to \$2,750/\$5,500
- Increase Office Visit Copays from \$15/\$30 to \$20/\$40
- Increase ER Copay from \$150 to \$300 (Waived if Admitted)
- Add Navitus Copay Max Program
- Increase Rx 30 Day Retail Copays from \$10/\$30/\$50 to \$15/\$35/\$55

- Increase Rx 90 Day Retail Copays from \$25/\$75/\$125 to \$30/\$80/\$130
- Increase Specialty Copay from 20% to \$200 Max to 20% to \$300 Max

PPO

- Increase In-Network Deductible from \$500/\$1,000 to \$750/\$1,500
- Increase Out-of-Network Deductible from \$1,000/\$2,000 to \$2,000/\$4,000
- Increase In-Network Out-of-Pocket Max from \$3,000/\$6,000 to \$3,500/\$7,000
- Increase Office Visit Copays from \$20/\$40 to \$25/\$45
- Increase ER Copay from \$250 to \$300 (Waived if Admitted)
- Add Navitus Copay Max Program
- Increase Rx 30 Day Retail Copays from \$10/\$30/\$50 to \$15/\$35/\$55
- Increase Rx 90 Day Retail Copays from \$25/\$75/\$125 to \$30/\$80/\$130
- Increase Specialty Copay from 20% to \$200 Max to 20% to \$300 Max

PPO Buy-Up

- Increase In-Network Deductible from \$100/\$400 to \$250/\$500
- Increase In-Network Out-of-Pocket Max from \$2,500/\$5,000 to \$3,000/\$6,000
- Increase Office Visit Copays from \$20/\$40 to \$25/\$45
- Increase ER Copay from \$250 to \$300 (Waived if Admitted)
- Add Navitus Copay Max Program
- Increase Rx 30 Day Retail Copays from \$10/\$30/\$50 to \$15/\$35/\$55
- Increase Rx 90 Day Retail Copays from \$25/\$75/\$125 to \$30/\$80/\$130
- Increase Specialty Copay from 20% to \$200 Max to 20% to \$300 Max

HDHP

- Increase Deductible and Out-of-Pocket Max from \$2,700/\$5,400 to \$2,900/\$5,800
- Add Navitus Copay Max Program

Discussion ensued regarding the funding methodology to use, recommended or minimum. Consensus was not to use a minimum factor and Trustees requested that ECA work with the actuary to develop factors that would result in a 6% or 7% increase for review and further discussion at the Trust meeting the following day.

14. Call to the Public

There were no comments from the public.

15. Adjourn

The meeting adjourned at 4:31 p.m.

Respectfully Submitted,
Storm Kinion
Recording Secretary