

ARIZONA METROPOLITAN TRUST
Draft – Minutes of Wednesday, February 24, 2021
Trust Meeting

The following Trustees were present and a quorum was met:

Charles Montoya, Chairperson	City of Avondale
Jeanne Blackman	Youngtown Virtual
Mark Burdick	Buckeye Valley Fire District
Crystal Dyches, Vice Chairperson	City of El Mirage
Leo Lew	Pinal County Virtual
Vince Lorefice	Town of Wickenburg
Grady Miller	Town of Fountain Hills Virtual 9:15 a.m.
Bryant Powell	City of Apache Junction
Rob Schmitz	Sun City Fire District
Matthew Williams	City of Litchfield Park

The following Alternate Trustees were present:

Jinnett Hancock	Town of Paradise Valley
Dawn Kurek	City of El Mirage
Tarah Mayerhofer	Town of Wickenburg
Lisa Neubert	Sun City Fire District
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 Virtual

The following consultants/vendors were present:

Ann Coupland	Delta Dental
Mike Hensley	Jones Skelton & Hochuli
Storm Kinion	ECA, A Gallagher Company
Jayne Merlino	ECA, ECA A Gallagher Company
Mike Schionning	Cheiron Virtual
Kelly Schoonmaker	AmeriBen Virtual
Jaime Schulenberg	ECA, A Gallagher Company
Courtney Stone	CuraLinc Virtual

The following guests were present:

Lindsay Duncan	City of Avondale
Joe Hessner	Buckeye Valley Fire District
Gina Montes	City of Avondale
Heather Patel	Appellant (Via Telephone)

1. Call to Order

The meeting was called to order at 9:04 a.m.

2. Approval of the February 12, April 29, August 18, 2020 and December 1, 2020 Executive and Regular Meeting Minutes

Alternate Trustee Hancock made a motion to approve the February 12, April 29, August 18, 2020 and December 1, 2020 Executive and Regular Meeting Minutes, seconded by Trustee Williams and unanimously carried.

3. 08/18/20 Medical Claim Appeal #1 - Update

Ms. Schulenberg provided an update regarding an appeal Trustees heard during the August 18, 2020 meeting from a member who requested additional payment for an out-of-network emergency surgeon. The member presented to the ER with abdominal pain and was admitted to the hospital with a ruptured appendix. The hospital was in-network; the surgeon was out-of-network. The Board directed Ms. Schulenberg to determine if the member had been advised the surgeon was out-of-network and attempt to negotiate a claim with no balance billing. Ms. Schulenberg asked AmeriBen to offer 60% off billed charges (based off BCBSAZ average discount) with no member balance billing. She further reported the doctor agreed to the negotiated amount with no balance billing to the member and she received the signed agreement.

4. 08/18/20 Medical Claim Appeal #2 - Update

Ms. Schulenberg provided an update to an appeal heard during the August 18, 2020 meeting from a member who is requesting occupational and speech therapy coverage. The member is a minor child who received occupational and speech therapy beginning in 2018. In 2020 American Health Group (AHG) was asked to review a request to extend the speech therapy beyond the Plan limit, at which time it was noted that such therapy was excluded from coverage under the Plan. AmeriBen denied payments for both occupational and speech therapy and the member is asking that the denial be reconsidered. AmeriBen Medical Management replaced AHG and conducted an extensive review, concluding that approval for additional visits is being denied in accordance with the Summary Plan Document. The appellant, Heather Patel, explained the difficulties her son has experienced including emotional control, depression, anxiety and diagnosis of ADHD. She stated she believes his therapies are medically necessary and prescribed by his neurologist, explaining these therapies help him be more self-sufficient.

Chairperson Montoya made a motion to accept the recommendation of AmeriBen, denying coverage in excess of 20 allowed visits in a Plan year, seconded by Trustee Lorefice and unanimously carried.

**Bryant Powell and Leo Lew recused themselves and abstained from voting.*

5. Medical Claim Appeal #3

Ms. Schulenberg reported that ECA received an appeal from an out-of-network facility requesting additional payment for non-emergency services. A member had non-emergency surgery at an out-of-network facility. AmeriBen processed the claim in accordance with the Summary Plan Document which provides for payment of out-of-network charges based on a "Maximum Allowable Charge," which in this case was defined as 150% of the Medicare rate.

Chairperson Montoya made a motion to deny the appeal, seconded by Alternate Trustee Hancock and unanimously carried.

6. Medical Claim Appeal #4

Ms. Schulenberg reviewed an appeal from a provider who is requesting additional payment for a surgery assistant. The member had non-emergency surgery during which a surgery assistant was used. AmeriBen processed the claim in accordance with the Summary Plan Document, which provides for a surgery assistant at 20% of the eligible primary surgeon's expense.

Chairperson Montoya made a motion to deny the appeal, seconded by Vice Chairperson Dyches and unanimously carried.

7. Subrogation Request

Ms. Schulenberg reviewed a request from Phia Group for a subrogation settlement on behalf of a member involved in a motor vehicle accident on October 7, 2018. The attorney proposed a reimbursement amount of \$2,500 or 34%. There was discussion of rejecting the attorney's offer and pursuing a different amount. Mr. Hensley, the Trust's legal counsel, reported this would be consistent with what the Trust has done in the past.

Chairperson Montoya made a motion to have Phia Group reject the attorney's offer and negotiate reimbursement of 2/3 of the Trust's expense, seconded by Trustee Powell and unanimously carried.

8. Discussion and possible Action re Auditor RFP

Ms. Schulenberg reported that the Trust has used the same auditor since its inception in 2012. This year she conducted a Request for Proposal (RFP) for Auditor at the Board's direction. The RFP's were sent to the following four firms:

1. Donham & Associates, Certified Public Accountants, LLC;
2. Heinfeld-Meech;
3. Douglas P. Kienitz, CPA, P.C.; and
4. Alan Noudlaj, CPA.

Timely proposals were received by all firms except Donham & Associates. Based upon review of the proposals, ECA/Gallagher is confident each firm is well qualified to perform audit services for AzMT. Ms. Schulenberg reviewed the fees for each firm over a 5-year period. There was discussion regarding the best fit for the Trust with Chairperson Montoya recommending the Trust stay with Doug Kienitz due to the change in membership with Pinal County leaving the Trust.

Chairperson Montoya made a motion to maintain the existing contract with Douglas Kienitz and extend by one year, seconded by Trustee Blackman and unanimously carried.

9. Approval of Rates and Benefits for 2021-22

Ms. Schulenberg reviewed the benefits and rates from the work session. She presented a history of the vendor rates and a fee comparison with ECA/Gallagher's book of business. She also reported after she updated the budgets, there was no impact on the premiums when removing vendor increases. In order to help with fee increases AmeriBen offered a rate pass and CuraLinc offered a reduction from 6 to 3 training hours which resulted in an updated rate of \$1.63 without Pinal and \$1.65 without both Pinal and Avondale. After extensive discussion regarding funding options there was a suggestion to continue with the current benefits and implement a 10% increase.

Vice Chairperson Dyches made a motion to maintain the current benefits and approve a rate increase of 10%, seconded by Trustee Lorefice and unanimously carried.

10. Approval of 2021-22 Vendor Rates/Renewals

Ms. Schulenberg reviewed the vendor renewals which will be effective July 01, 2021, reiterating reinsurance will be marketed beginning in April. AmeriBen agreed to a rate pass for claims administration, COBRA and FSA. AmeriBen Medical Management agreed to a rate pass. ECA/Gallagher requested an increase of 5% from \$8.50 to \$9.00/PEPM with a 2-year guarantee or a 3-year guarantee maintaining ECA/Gallagher as Pool Administrator. ECA/Gallagher (Wellness Administration) requested an 8% increase from \$6.00 to \$6.50/PEPM with a 2-year guarantee or a 3-year guarantee maintaining ECA/Gallagher for Wellness Administration. Teladoc requested a 3% increase from \$1.40 to \$1.44/PEPM. Jones, Skelton & Hochuli offered a rate pass. Cheiron reduced the annual Not to Exceed fee from \$17,500 to \$15,000 due to Pinal leaving the Trust. Delta Dental offered a rate pass. VSP originally offered a rate reduction, however upon Pinal's notice to leave the Trust, VSP offered a rate pass. Securian requested an increase from \$.096/\$1,000 to \$.11/\$1,000 upon notice of Pinal leaving the Trust. Mutual of Omaha offered a rate pass.

Chairperson Montoya made a motion to maintain ECA/Gallagher Pool Administration and ECA/Gallagher Wellness Administration for 3-years with the rate guarantee, approve all other contract renewals and authorize the Chairperson to execute associated contract documents once approved by legal, seconded by Trustee Blackman and unanimously carried.

11. 07/01/21 Membership Renewals

Ms. Schulenberg reported the membership terms for Apache Junction, Avondale, Buckeye Valley Fire District, El Mirage, Litchfield Park, Pinal County and Youngtown are expiring June 30, 2021. The Trustees need to decide if they wish to extend a renewal offer to each entity. She further explained the renewal and termination process. Ms. Schulenberg recommended voting on each renewal individually; Pinal County will not be renewing their membership with AzMT.

Trustee Miller made a motion to extend membership renewal to Apache Junction, seconded by Alternate Trustee Hancock and unanimously carried.

Trustee Blackman made a motion to extend membership renewal to Avondale, seconded by Trustee Powell and unanimously carried.

Trustee Powell made a motion to extend membership renewal to Buckeye Valley Fire District, seconded by Chairperson Montoya and unanimously carried.

Chairperson Montoya made a motion to extend membership renewal to City of El Mirage, seconded by Trustee Blackman and unanimously carried.

Chairperson Montoya made a motion to extend membership renewal to City of Litchfield Park, seconded by Trustee Burdick and unanimously carried.

Chairperson Montoya made a motion to extend membership renewal to Youngtown, seconded by Trustee Powell and unanimously carried.

12. Introduction to Revision of Bylaws

Ms. Schulenberg reported that when reviewing the Bylaws, she noticed changes that had been authorized by the Board had not been made to the document. She also proposed clarification to Section 7 regarding entity contributions to AzMT. She introduced the following changes to the Bylaws:

1. Update Section 7(A) and 7(C) to clarify when entity payments are due to AzMT; and
2. Update Sections 8(A) and 8(D) to accurately reflect a previous discussion by Trustees regarding eligibility for membership in AzMT.

These changes will be scheduled to be formally adopted at the next meeting.

13. Approval of Annual Financial Audit through 06/30/20

Ms. Schulenberg reported the Trust was formed under the authority of A.R.S. §11-952.01 which includes a provision for an annual audit of the Trust. An original copy of the report was provided to each entity.

Ms. Schulenberg reviewed highlights of the report, including:

- The Trust's Total Assets (cash) are reported at \$11,939,708; this is a decrease of \$1,276,110 over the prior year.
- The Trust's Incurred but not Reported (IBNR) liability is reported at \$3,897,000 as determined by the Trust's actuary; an increase of \$155,000.
- The Trust's Net Assets (surplus) are reported at \$8,012,626; a decrease of \$1,727,340.

ECA has forwarded a copy of the audit to the Department of Insurance as required by law.

Trustee Miller made a motion to approve and accept the audit, seconded by Chairperson Montoya and unanimously carried.

14. Ratification and Discussion/Possible Action of Coronavirus Telemedicine Waiver

Ms. Schulenberg reported the Trust Board previously ratified action taken by the Trust Chairperson to extend waiver of the telemedicine copays through December 31, 2020. As the end of that waiver approached, ECA/Gallagher worked with Chairperson Montoya to extend the waiver through March 31, 2021. The public health emergency has now been extended through April 2021. ECA/Gallagher requested the Trustees ratify the decision to extend the Teladoc waiver through March 31, 2021 and extend the waiver for the duration of the public health emergency.

Chairperson Montoya made a motion to ratify the decision to extend the waiver through March 31, 2021 and extend the waiver for the duration of the public health emergency, seconded by Trustee Miller and unanimously carried.

15. Approval of the November through December 2020 Financials

Ms. Kinion reported the financials were reviewed during the Work Session on February 23, 2021 and offered to answer any additional questions.

Chairperson Montoya made a motion to approve the November through December 2020 financials, seconded by Trustee Williams and unanimously carried.

16. Administrative Update

Ms. Schulenberg reported on the following admin items:

- Subrogation Claims from 12/01/20 Meeting
 - Family Car Accident – The Board approved the proposed settlement of 66.7% of the plan paid costs upon confirmation that the attorney's fee was 33.3%; this was confirmed and payment authorized.
 - 03/06/20 MVA – The Board requested full reimbursement and directed Phia to advise the member that the claim was settle with advising the of the Plan's lien. Member's attorney increased offer from \$250 to \$750 there was a counteroffer of \$1,500 which accounts for 33.3% attorney's fees. The proposal was accepted and payment was received 01/21/21.
 - Minor child injured on Public Property – The Board requested full reimbursement but authorized negotiation to reduction of 1/3 for attorney's fees; the judge approved a settlement amount of 70% of total claims paid.
 - 01/05/20 Bicycle Accident – The Board elected to wait regarding accepting the proposal for 1/3 settlement of the third-party claim pending closure of the still open UIM/UM claim and requested UIM/UM limits. Phia has reported that the UM limit is \$100,000 but have requested approval to accept the 1/3 settlement of \$8,333.33 since the member will be under long-term care for his injuries.

Chairperson Montoya made a motion to authorize Ms. Schulenberg to approve the settlement of \$8,333.33, seconded by Trustee Williams and unanimously carried.

- Maricopa Surplus Distribution
 - Maricopa left AzMT 06/30/2020. Their surplus was estimated at \$157,767.39. In accordance with the Trust Document, AzMT paid the first surplus payment on \$12/16/20 in the amount of \$118,325.54, which is 75% of the estimated total; final payment will be due February 2023.
- AmeriBen HIPAA Disclosure
 - A provider EOB was sent to a member which included 5 additional EOB's. The recipient destroyed the PHI and AmeriBen concluded the disclosure was not a breach of the individual's security or privacy as defined by HIPAA.
- 2021-22 Renewal – Open Enrollment and Premium Contributions
 - Ms. Schulenberg asked the Board to think of what their needs will be for open enrollment as well as being aware of the AzMT requirements regarding entity contributions.
- COVID Vaccinations
 - AzMT may need to look to other vendors besides Healthwaves for COVID vaccinations.

17. Future Agenda Items

- Discussion on marketing;
- Approval of Bylaws;
- Discussion regarding a financial/surplus committee;
- Discussion regarding overlapping renewals and membership terms; and
- Possible election of a new Vice Chairperson.

18. Set Next Meeting Date

The next meeting is scheduled for March 16, 2021 at 10:00 a.m.

19. Call to the Public

N/A

20. Adjourn

Trustee Blackman made a motion to adjourn at 10:54 a.m., seconded by Trustee Dyches and unanimously carried.

Respectfully Submitted,
Storm Kinion
Recording Secretary