

ARIZONA METROPOLITAN TRUST
Draft – Minutes of Tuesday, February 15, 2022
Annual Renewal Work Session Meeting

The following Trustees were present and a quorum was met:

Crystal Dyches, Chairperson	City of El Mirage
Bryant Powell	City of Apache Junction
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
Liz Riley	City of Apache Junction
Susan Slagle	City of Litchfield Park
Joe Hester	Buckeye Valley Fire District
David Trimble	Town of Fountain Hills

The following consultants/vendors were present:

Jaime Schulenberg	Gallagher Benefit Services
Sheri Gordon	Gallagher Benefit Services
Scott Gregory	Gallagher Benefit Services
Sally Wineman	Gallagher Benefit Services
Michael Schionning	Cheiron
Lisa Thompson	Navitus
David Medeiros	Navitus
Merle Jarvill	Navitus
Ann Coupland	Delta Dental
Mike Hensley	Jones Skelton & Hochuli
Mike Groeger	Blue Cross Blue Shield AZ
Rachele Martin	Blue Cross Blue Shield AZ
Rachel McLouth	VSP
Pam Vannoy	AmeriBen Medical Management
Kelly Schoonmaker	AmeriBen

The following guests were present:

Les Brown	Town of Wickenburg
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Call to Order

The meeting was called to order at 9:05 a.m. and began with introductions.

1. Welcome and Introductions

Jaime Schulenberg from Gallagher gave a brief overview of the agenda and the goals for the meeting.

2. ECA/Gallagher Transition Update

Scott Gregory, Gallagher Vice President of the Southwest Region, introduced himself and provided a brief overview of Gallagher and the many resources offered to their clients. Mr. Gregory expressed his appreciation of the AzMT relationship and offered to be available for any questions or to help further build the client relationship with Gallagher.

Jaime Schulenberg provided a brief overview of the progress of the ECA/Gallagher merger which included an introduction of the Gallagher team working, integration timeline and her gratitude for the opportunity to have many great resources offered by their partnership with Gallagher.

3. Compliance Update

Sally Wineman, Gallagher Senior Vice President Compliance Counsel, provided a compliance update including coverage for COVID testing/vaccines/treatment, Mental Health Parity NQTL Analysis, Transparency Rules, Continuing Care, No Surprises Act Requirements, Prevention Care Services, Pharmacy Benefit and Cost Reporting and Gallagher resources for these and any other compliance needs.

4. 2021 Medical Claims and Medical Management 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 well; the Plan is experiencing excellent utilization of in-network care at 89.45% resulting in a savings of 66.52%. She also reported there have been 8,769 members tested for COVID with 1,626 members testing positive since March 2020.

Pam Vannoy from AmeriBen Medical Management provided an executive summary of the Trust's medical management usage including pre-certification activity and case management. Ms. Vannoy reported there were a total of 68 in-patient pre-certification cases requested with medical in-patient being the most requested case type. She also reported there have been 13 case management cases opened and 21 cases closed YTD; the Plan has an accumulated CM savings of \$5,790.

5. 2021 BCBSAZ Review

Rachele Martin introduced her team from BCBSAZ and provided an executive summary including network savings of 68.5%, the value of the Blue discount and plan utilization. Ms. Martin also reviewed the proposed renewal for the upcoming plan year.

6. 2021 Prescription Claims Review

Lisa Thompson, Merle Jarvill and David Medeiros with Navitus provided an overview of the prescription claims through December 2021 which included an executive summary of Key Performance Metrics & Trend, Trend Drivers, Copay Max Savings, GPO Enhanced Rebate program, Covid-19 Utilization & Updates, Generic vs. Brand Utilization, Script Cost vs. Script Volume, Top 10 Drugs by Plan Paid, Top Therapeutic Categories, Average Script Cost by Volume, Specialty Prescriptions. Items of note included:

- In 2021, Specialty Rx accounted for 40.7%, which decreased -8.4% from the prior year, with Humira continuing as the biggest driver of specialty trend in 2021;
- Generic Dispensing Rate was 79.6%, which was a decrease of 2.8% from the prior year;
- Copay Max Savings. less the program fee. of \$415,431;
- Enhanced GPO Rebate program was introduced in November 2021 by Navitus, which is estimated to provide an additional savings to the Trust of \$107,784, is up for consideration to implement as of 7/1/2022. It was noted that if AzMT decides to implement, Navitus will retro the benefits to the start date of 10/01/21 and forgo their fees until 07/01/22;
- A total of 629 Plan members received the COVID vaccination through the pharmacy; most vaccinations are running through the medical plan;
- Emergency use authorization for the Pfizer COVID 19 booster vaccine has been approved for ages 12-15 year of age;
- Two (2) new oral antiviral therapies have been granted emergency use by the FDA for COVID 19, treatment is recommend to be initiated within 5 day of symptoms onset;
- Genotropin had the largest increase in Plan Paid PMPM of 132.7%;

7. 2021 Dental Claims Review

Ann Coupland with Delta Dental of Arizona provided a summary of the dental claims through December 2021 for both the standard plan and the premium plan. Ms. Coupland also reported that the in-network usage was excellent among AzMT members at 97.7%.

8. 2021 Vision Claims Review

Rachel McLouth with VSP reviewed the summary of the plan design, plan performance, including in and out of network claims, and optical purchasing trends through December 2021 for both the standard plan and the premium plan. Ms. McLouth also reported on conditions detected during eye exams including: Hypertension, Diabetes, High Cholesterol and Diabetic Retinopathy, among others. She also reported on trending items which include enhanced featured frames with Marchon at \$50, Lightcare, Eyeconic, and enhanced featured frame and blue light/anti-reflective coating.

12:07 p.m. Lunch

1:33 p.m. Return from Lunch

9. 2021 Telemedicine Review

Jaime Schulenberg reported that representatives from Teledoc were invited to review their presentation, however, due to corporate travel rules they were unable to attend. Ms. Schulenberg noted that the report was included in the materials provided and she would be happy to answer any questions.

10. 2021 EAP Review

Jaime Schulenberg reported that representatives from Supportline were invited to review their presentation, however due to corporate travel rules they were unable to attend. A copy of the Employee Assistance Program report and presentation through December 31, 2021 was provided in the meeting materials.

11. 2021 Wellness Review

Jaime Schulenberg reported on the departure of Jayme Merlino from the Wellness team and her new role with Gallagher and noted that Missy Jensen, Senior Wellbeing Consultant, would be assuming the role. Ms. Schulenberg reported that Ms. Jensen was unable to attend the meeting due to illness, but brings vast experience and a fresh look at Wellness for AzMT. Ms. Schulenberg reviewed the wellness programs, preventive screenings and services, Livongo for Diabetes, and Omada for weight-loss. Ms. Jensen requested that Ms. Schulenberg ensure the Trustees that she will be researching and recommending an updated wellness plan for future consideration of the Wellness Subcommittee.

12. 2021 Legal Review

Michael Hensley provided his legal review and updates for the 2022-2023 Plan Year which included a brief summary of work performed on behalf of the Trust, updates on Trustee Fiduciary Obligations (due to the unique structure of the Trust), and an update on Gender Discrimination laws.

13. Review of the Trust Financial Status as of December 31, 2021

Jaime Schulenberg reviewed the Trust's financial performance through December 2021. She presented an updated financial summary which re-allocated claims incurred by Avondale and Pinal County to reduce IBNP versus showing as a monthly claims expense as well as to reduce the Surplus by the surplus payments made to both departed entities. This updated summary significantly changed the outlook of the Trust's financial position and Ms. Schulenberg will be working with internal accounting staff to get the monthly financial reports updated accordingly. She also noted that Mike Schionning, the Trust's actuary, agreed with the updated reporting.

14. Recommended Claim Funding Rates for 2022-23 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. 2022-23 and Budget Building

Ms. Schulenberg reviewed the proposed 2022-23 budgets including recommended changes, budget assumptions and vendor renewals. The Trustees elected to discuss benefit changes for the 2022-23 plan year at the regular meeting tomorrow.

Discussion ensued regarding the funding methodology to use, recommended, minimum or some variation, and to determine if requested increases to vendor admin fees would help to decrease the overall increase. Trustees agreed to review and further discuss at the Trust meeting the following day.

16. Call to the Public

There were no comments from the public.

17. Adjourn

The meeting adjourned at 4:54 p.m.

Respectfully Submitted,
Sheri Gordon
Recording Secretary

DRAFT