

**NORTHWEST ARIZONA EMPLOYEE BENEFIT TRUST**  
**DRAFT - Minutes of Annual Renewal Meeting**  
**Thursday, February 24, 2022, and Friday, February 25, 2022**

**Northwest Arizona Employee Benefit Trust**  
**DRAFT – Minutes of Work Session**  
**Thursday, February 24, 2022, 8:30 A.M.**

**Trustees Present:**

Ron Foggin, City of Kingman  
Jess Knudson, Lake Havasu City  
Toby Cotter, City of Bullhead City  
Rebecca Stone, Lake Havasu Unified School District #1

**Others Present:**

Jenise Dimmick, GBS  
Kari Dunlop, Lake Havasu Unified School District #1  
Mike Groeger, Blue Cross Blue Shield  
Dominique Heidt, GBS  
Mike Hensley, Jones, Skelton & Hochuli  
Mindy Hollander, Navitus  
Jennifer Huppenthal, American Health Group  
Ray Jennings, American Health Group  
Rebecca Kessler, City of Kingman  
Bobbie Kimelton, Lake Havasu City  
Danielle Marshall, City of Bullhead City

Phylicia Martel, City of Kingman  
Rachele Martin, Blue Cross Blue Shield  
David Medeiros, Navitus  
Stephanie Moore, GBS  
Mike Murray, Lake Havasu Unified School District #1  
Mike Schionning, Cheiron  
Taylor Schulenberg, City of Bullhead City  
Kelly Schoonmaker, AmeriBen  
Brittney Sertic-Bayliss, Lake Havasu City  
Rose Stamps-Proper, Ameritas  
Lisa Thompson, Navitus  
Krista Toschlog, City of Kingman  
Sally Wineman, GBS

**1. Call to Order**

The meeting was called to order by Chairperson Foggin at 8:31 A.M.

**2. Roll Call**

All Trustees and Alternate Trustees of the Northwest Arizona Employee Benefit Trust were present.

**3. Call to the Public**

There were no comments from the Public.

**4. Opening Remarks and Introductions**

Chairperson Foggin thanked the vendors and GBS for their participation and preparation for the renewal meeting. Stephanie Moore from GBS welcomed everyone to the 2022-23 Northwest Arizona Benefit Trust renewal meeting and reviewed the agenda. All participants introduced themselves.

**5. Review of Trust Administration**

Stephanie Moore from GBS provided Trustees with an update on the ECA – Gallagher Benefit Services merger.

**6. Review of Trust Financials**

Jenise Dimmick from GBS presented the 2020-21 plan year financial summary compared to the prior two plan years as well as the financial status of the Trust as of January 31, 2022.

**7. Medical Claims Review**

Kelly Schoonmaker from AmeriBen presented the medical claims experience incurred from July 1, 2021 through December 31, 2021 compared to the prior period of January 1, 2020 through December 31, 2020. There was a discussion regarding claims with the addition of Lake Havasu Unified School District, emergency room visits and reducing costs for MRI's and CT Scans.

Meeting recessed for break at 9:58 a.m. and resumed at 10:17 a.m.

**8. Network and BlueCare Anywhere Utilization Review**

Rachele Martin from BCBSAZ presented the claims savings report from July 1, 2020 through June 30, 2021. There was a discussion regarding transparency, provider contracts to reduce costs and BlueCare Anywhere.

**9. Medical Management Review**

Jennifer Huppenthal and Ray Jennings from American Health Group gave a presentation on precertification and medical case management for the period of July 1, 2021 through December 31, 2021. They also presented Healthcare Bluebook which is a transparency tool to help plan participants find qualified care at the lowest cost.

**10. Prescription Drug Claims Review**

Lisa Thompson, Mindy Hollander and David Madeiros from Navitus presented an executive summary of the prescription claim utilization for the period July 1, 2021 through December 31, 2021 that included key performance metrics, plan paid trend, copay max savings, covid-19 vaccines, top categories/drugs by plan and script, and top specialty conditions.

**11. Vendor Reports – Teladoc, EAP and Life Insurance**

Stephanie Moore from GBS provided a report on Telemedicine for the period of January 1, 2021 through December 31, 2021, EAP, and Life Insurance for the period of July 1, 2021 through December 31, 2021.

#### **12. Dental and Vision Claims Review**

Rose Stamps-Proper from Ameritas presented dental and vision claims utilization for the period January 1, 2021 through December 31, 2021 that included paid claims, return on investment, paid claims by procedure type and group, in-network vs. out-of-network claims, PPO savings, and top provider utilization.

Meeting recessed for lunch at 12:12 p.m. and resumed at 1:16 p.m.

#### **13. NAEBT Wellbeing Program Review**

Dominique Heidt from GBS reviewed NAEBT wellness programming and participation that included, screening participation comparison and the Virgin Pulse wellness portal. Dominique also discussed discontinuing the Prostate On-Site screenings.

#### **14. Compliance Update**

Sally Wineman from GBS provided a compliance update presentation to the Trust.

#### **15. Legal Review and Trustee Fiduciary Refresher**

Mike Hensley from Jones, Skelton & Hochuli, the Trust's attorney, provided a legal update and fiduciary refresher presentation.

Meeting recessed for break at 2:25 p.m. and resumed at 2:47 p.m.

#### **16. Recommended Claim Funding Rates and Benefit Options for the 2022-23 plan year**

Mike Schionning from Cheiron reviewed the actuarial rate development for the 2022-23 plan year including the proposed claim funding rates and proposed benefit design changes. The Medical/Rx rate changes for recommended was 9.6%, and the minimum was 6.9%. The Dental rate changes for recommended was -9.2%, and the minimum was -11.1%. The Vision rate changes for recommended was -7.9%, and the minimum was -9.7%.

#### **17. 2021-22 Budget Building and Renewal Discussion**

Stephanie Moore reviewed the 2022-23 proposed draft budgets, reviewed all the components that factor into the annual benefits budget and discussed proposed benefits and rates for the 2022-23 plan year. The starting point for the renewal discussion was the actuary's recommended funding factors of Medical/Rx at 9.6%, Dental at 0%, and Vision at 0%. There was a discussion regarding changing the name of the HDHP to the Health Savings Plan. Trustees reviewed and discussed various plan design options.

**18. Adjournment**

Chairperson Foggin adjourned the meeting at 4:34 P.M.

**NORTHWEST ARIZONA EMPLOYEE BENEFIT TRUST  
DRAFT - Minutes of Board of Trustees Trust Meeting  
Friday, February 24, 2022, 9:00 A.M.**

**Trustees Present:**

Ron Foggin, City of Kingman  
Jess Knudson, Lake Havasu City  
Toby Cotter, City of Bullhead City  
Rebecca Stone, Lake Havasu Unified School District #1

**Others Present:**

Jenise Dimmick, GBS	David Medeiros, Navitus
Kari Dunlop, Lake Havasu Unified School District #1	Stephanie Moore, GBS
Dominique Heidt, GBS	Mike Murray, Lake Havasu Unified School District #1
Mike Hensley, Jones, Skelton & Hochuli	Mike Schionning, Cheiron
Rebecca Kessler, City of Kingman	Taylor Schulenberg, City of Bullhead City
Bobbie Kimelton, Lake Havasu City	Kelly Schoonmaker, AmeriBen
Danielle Marshall, City of Bullhead City	Brittney Sertic-Bayliss, Lake Havasu City
Phylcia Martel, City of Kingman	Rose Stamps-Proper, Ameritas
Rachele Martin, Blue Cross Blue Shield	Krista Toschlog, City of Kingman
	Sally Wineman, GBS

**1. Call to Order**

The meeting was called to order by Chairperson Foggin at 9:00 A.M.

**2. Roll Call**

All Trustees and Alternate Trustees of the Northwest Arizona Employee Benefit Trust were present.

**3. Call to the Public**

There were no comments from the Public.

**4. Approval of the Minutes from the Trust Meeting held on November 17, 2021**

*Trustee Cotter made a motion to approve the November 17, 2021 Trust Minutes as presented without changes, Trustee Knudson seconded the motion, and the motion passed unanimously.*

**5. Approval of October 2021 through December 2021 Financials**

*Trustee Knudson made a motion to approve the October through December 2021 Financials as presented, Trustee Stone seconded the motion, and the motion passed unanimously.*

**6. June 30, 2021, Financial Audit**

Stephanie Moore from GBS presented the Trust's Total Assets (cash), the Trust's Incurred but Not Reported (IBNR) liability, and the Trust's Net Assets (surplus). A copy has also been forwarded to the Director of the AZ Department of Insurance.

*Trustee Knudson made a motion to accept the June 30, 2021 Financial Audit, Trustee Stone seconded the motion, and the motion passed unanimously.*

**7. Discussion and Possible Action Regarding the Navitus Group Purchasing Organization (GPO) Amendment**

Stephanie Moore from GBS explained that a contract amendment is required to join the Group Purchasing Organization (GPO) and also explained that Navitus has agreed to waive the rebate management fee of \$0.40/PMPM until the end of this plan year. There was a discussion regarding the current contract and the PMPM fee associated with amending the current contract with the GPO.

*Trustee Cotter made a motion to approve the Navitus GPO Amendment to the in-force Pharmacy Benefit Management Services Agreement with changes and authorize the Chairperson to execute the amendment after review and approval by the Trust Attorney, Trustee Knudson seconded the motion, and the motion passed unanimously.*

**8. Discussion and Possible Action Regarding Approval of the 2022-23 Benefits and Rates**

Stephanie Moore from GBS reviewed and discussed the budget, benefits, and rates presented during the renewal work session. There was a discussion regarding emergency room and BlueCare anywhere copays. Phylcia from City of Kingman asked if data could be provided for Telemedicine visits and emergency room visits by plan.

Benefit Change Options discussed for approval effective July 1, 2022:

Medical/Rx:

Add coverage for Genetic Testing for treatment (diagnosis still excluded) subject to precertification

Add coverage for offsite preventative 3D Mammograms

Terminate Teladoc Contract

Increase deductible to \$750/\$2,250 (EPO Plan)

Increase ER copay to \$500 then 80% coinsurance after deductible (EPO Plan)

Increase max out of pocket to \$8,700/\$17,400 (EPO Plan)

Change name of HDHP to Health Savings Plan

Minimum funding rates

Dental:

Recommended funding rates

Vision:

Recommended funding rates

*Trustee Cotter made a motion to approve the 2022-23 Benefit Changes and Funding Rates as discussed and presented, Trustee Stone seconded the motion, and the motion passed unanimously.*

## **9. Discussion and Possible Action Regarding Approval of the 2022-23 Administrative Vendor Contract Amendments**

Stephanie Moore from GBS provided the Trust with an overview of the administrative contracts that were up for renewal effective July 01, 2022.

- **Blue Cross Blue Shield of Arizona (BCBSAZ) and Blue Card National Network**
  - BCBSAZ Network Fees
    - \$0.60/PEPM increase from \$19.50/PEPM to \$20.10/PEPM for 2022-23, \$0.60/PEPM increase from \$20.10/PEPM to \$20.70/PEPM for 2023-24 and \$0.65/PEPM increase from \$20.70/PEPM to \$21.35/PEPM for 2024-25
  - Blue Card Network Fees
    - \$9.75/per facility claim plus 2.21% of savings from approved charges with a cap of \$2,000 per claim;
    - \$4.00/per provider claim plus 2.21% of savings from approved charges with a cap of \$2,000 per claim; and
    - Rates are subject to change if number of subscribers falls below 1,000; and
  - Out-of-Network negotiations at 20% of savings with a cap of \$10,000 per claim.
- **AmeriBen (Third Party Administrator)**
  - A one year extension of the current contract with a 5% increase to the claims administration fee changing from \$17.00/PEPM to \$17.85. No change to other fees. Adding Teladoc \$1.00/PEPM General Health (currently \$1.48/PEPM) and \$0.30/PEPM Behavioral Health (currently \$0.43/PEPM) and Dermatology at \$0.00/PEPM (currently \$0.00/PEPM).
- **Navitus (Pharmacy Benefit Manager)**
  - A three year rate guarantee at \$2.28/PMPM with GPO Amendment.
- **Ameritas (Dental and Vision Administration)**
  - A one year extension of the current contract with a rate pass.
- **AmeriFlex (FSA Administrator)**

- One-year extension of the current rate of \$4.75/PPPM plus the \$175 annual renewal fee.
- **Cheiron (Actuary)**
  - A two year extension of the current hourly rates and not to exceed of \$17,500
- **Doug Kienitz (Auditor)**
  - An increase of \$200 to his annual fee for a total of \$7,950.
- **Jones, Skelton & Hochuli, P.L.C (Legal Services)**
  - A one-year amendment to extend the current hourly rates (\$240 Partners, \$200 Associates and \$130 Paralegals) through June 30, 2023 and an increase of the hourly rates to \$245 Partners, \$205 Associates and \$135 Paralegals for 2023-24 and 2024-25.

Trustee Cotter expressed that he would like to discuss taking the auditor out for RFP at a future meeting date.

*Trustee Knudson made a motion to accept the Administrative Vendor Contract Renewal Offerings as presented and that the Trust Chairperson be authorized to execute all renewal documents upon review and approval by legal counsel, Trustee Stone seconded the motion, and the motion passed unanimously.*

## **10. Administrative update**

Stephanie Moore from GBS provided an update regarding the Employee Assistance Program RFP and stated that once the vendor interviews are complete a special meeting will be held. Stephanie also stated that an updated vendor and entity contact list will be sent.

## **11. Individual Entity Reports**

Lake Havasu Unified School District #1 – Rebecca Stone is very excited to be a part of the Trust and is happy that we were able to be in person for the renewal meeting.

Lake Havasu City – Jess Knudson thanked the vendors and the technical team for their efforts in preparing for the renewal meeting.

Bullhead City – Danielle thanked everyone for their work in putting together the meeting and expressed that she found the meeting to be valuable and informative. Toby Cotter expressed that Bullhead City had a rough year with multiple losses, thanked everyone for their hard work and gave an update on the water company.

City of Kingman – Krista Toschlog thanked everyone for their partnerships and expressed that she was happy to be able to have this meeting in person. Chairperson Foggin thanked everyone for their support. He expressed that he is thankful to be able to serve the Trust.



**12. Future Agenda Items**

Trustee Cotter would like to discuss auditor RFP at the next meeting and would also like an update on the Trusts investments. Chairperson Foggin would like to have an update as to where Blue Cross Blue Shield is at regarding pricing and negotiations with local providers, particularly Havasu Regional Medical Center.

**13. Next Meeting Date**

The next meeting date is set for May 11, 2022, at Lake Havasu City.

**14. Adjournment**

*Trustee Cotter motioned for adjournment, Trustee Stone seconded the motion, and the motion passed unanimously.*

Chairperson Foggin adjourned the meeting at 10:20 A.M.

Respectfully Submitted,

Jenise Dimmick, Recording Secretary