

Northwest Arizona Employee Benefit Trust
DRAFT – Minutes of Work Session
Thursday, February 5, 2026, 9:00 A.M.

Trustees Present:

Toby Cotter, Bullhead City
Jess Knudson, Lake Havasu City
Erin Horvath, Lake Havasu Unified School District #1 (LHUSD)
Tim Walsh, City of Kingman

Others Present:

Laura Bacon, Gallagher	Phylicia Martel, City of Kingman
Ryan Benitez, Cheiron	Rachele Martin, BCBSAZ
Kari Bravata, LHUSD	Rachel McLouth, VSP
Sarah Camarena, Bullhead City	Stephanie Moore, Gallagher
Mike Groeger, BCBSAZ	Ryan Olson, Cheiron
Lynn Harris, Ameritas	Kelly Schoonmaker, AmeriBen
John Hatz, Gallagher	Brittney Sertic-Bayliss, Lake Havasu City
Mike Hensley, Jones, Skelton & Hochuli	Camden Stanley, Bullhead City
Jennifer Huppenthal, AHG	Krista Toschlog, City of Kingman
Krista Keller, AmeriBen	Daniela Zubic, Gallagher
Bobbie Kimelton, Lake Havasu City	

1. Call to Order

The meeting was called to order by Chairperson Cotter at 9:06 A.M.

2. Roll Call and Introductions

Trustees present include Chairperson Cotter representing Bullhead City, Jess Knudson representing Lake Havasu City, Tim Walsh representing City of Kingman, and Erin Horvath representing Lake Havasu Unified School District #1. Stephanie Moore from Gallagher welcomed everyone to the 2026 Northwest Arizona Employee Benefit Trust renewal meeting and reviewed the agenda. All participants introduced themselves.

3. Legal Update

Mike Hensley and Ravi Patel from JSH provided fiduciary duties and responsibilities presentation.

4. Trust Administration and Strategic Planning

Stephanie Moore from Gallagher provided Trustees with the annual Trust Administration Review and Strategic Planning Report.

5. Trust Financial Report

Laura Bacon from Gallagher presented the financial summary comparison for the last five years. Bacon reviewed expenses, total claims, and large claims spent. Lastly, Bacon reviewed the average rate changes over the last ten years. Trustee Knudson inquired about the recommended surplus position, and Cheiron provided the estimation from the most recent Target Reserve Letter.

6. Wellbeing Program Report

Daniela Zubic from Gallagher reviewed major diagnostic areas, current solutions, and future opportunities. Zubic reviewed Digbi Health program and a brief discussion followed.

7. Medical Savings & BlueCare Anywhere Report

Michael Groeger from Blue Cross Blue Shield of Arizona reviewed industry trends. Rachele Martin from Blue Cross Blue Shield of Arizona reviewed the network savings for the Trust. Alternate Trustee Toschlog shared frustration regarding the Blue Care Anywhere app going away. A brief discussion followed regarding the recent Telehealth changes.

Meeting recessed at 10:33 a.m. and resumed at 10:50 a.m.

8. Medical Claims Report

Krista Keller from AmeriBen presented the medical claims experience incurred and paid from July 1, 2025, through November 30, 2025, compared to those of the same time period in the prior year. Chairperson Cotter inquired about AmeriBen's risk score evaluation. A brief discussion followed regarding top providers in total paid amount.

9. Medical Management & Patient Advocacy Program Report

Jennifer Huppenthal from American Health Group gave a presentation on precertification, medical case management and patient advocacy services for the period of July 1, 2025, through December 31, 2025. Trustee Knudson praised the patient advocacy program and encouraged ongoing outreach to members.

10. Prescription Claims Report

Stephanie Moore from Gallagher reviewed prescription drug utilization from July 1, 2025, through December 31, 2025, compared to same time period of the prior year. Chairperson Cotter noted that GLP-1s will be a major area of focus and cannot be overlooked.

11. Dental Claims Report

Lynn Harris from Ameritas presented dental claims incurred July 1, 2025 through December 31, 2025. A discussion followed regarding out-of-network providers and the steps Ameritas is taking to bring them back into network participation.

12. Vision Claims Report

Rachel McLouth from VSP presented vision claims incurred July 1, 2025, through October 31, 2025. Trustee Walsh brought up Retinopathy screening out of pocket cost. A discussion followed regarding benefit enhancement options.

Meeting recessed for lunch at 12:28 p.m. and resumed at 1:31 p.m.

13. Recommended Claim Funding Rates and Benefit Options

Ryan Benitez from Cheiron reviewed the actuarial rate development for the 2026-27 plan year including the proposed claim funding rates and proposed benefit design changes. The Medical/Rx rate changes were recommended to increase by 14.8%, Dental rates were recommended at 0% increase, and Vision rates were recommended to increase by 10.3%.

14. 2025-26 Budget Building and Renewal Discussion

Stephanie Moore reviewed the 2026-27 proposed draft budgets, reviewed all the components that factor into the annual benefits budget and discussed proposed benefits and rates for the 2026-27 plan year. Trustees reviewed and discussed various plan design and funding options including adding a new plan that includes Mayo as an in-network facility.

Meeting recessed at 2:55 p.m. and resumed at 3:09 p.m.

Discussions continued regarding various budget and benefit options.

15. Adjournment

Chairperson Cotter adjourned the meeting at 3:45 p.m.

Respectfully submitted,

Laura Bacon, Recording Secretary