

**ARIZONA METROPOLITAN TRUST**  
**Final – Minutes of Tuesday, October 25, 2016**  
**Quarterly Trust Meeting**

**Trustees Present:**

Bryant Powell, Chairperson  
David Fitzhugh, Vice Chairperson (via phone)  
Dr. Spencer A. Isom, Trustee  
Michael Thompson, Trustee  
James Alcantar, Alternate Trustee  
Sandra King, Alternate Trustee  
Leo Lew, Alternate Trustee  
Lisa Neubert, Alternate Trustee  
Kathy Reyes, Alternate Trustee  
Liz Riley, Alternate Trustee  
Ray Temple, Alternate Trustee  
David Trimble, Alternate Trustee

**Others Present:**

Karla Anderson, Navitus (via phone)  
Patrick Camunez, Pinal County  
Justin Cook, Pinal County  
Chris Coyle, Delta Dental of Arizona (via phone)  
Dawn Hailey, City of El Mirage  
Jacquelyn Ikononov, ECA  
Elena Lacy, ECA  
Laura Phillipson, Navitus (via phone)  
Kelly Schoonmaker, AmeriBen  
Jaime Schulenberg, ECA

**1. Call to Order**

The meeting was called to order at 10:06 a.m., followed by introductions of members in attendance. Chairperson Powell recognized Trustee Isom's dedication and leadership as AzMT's past Chairperson and presented him with a plaque.

**2. Approval of the August 09 Regular and August 29 Special Telephonic Trust Meeting Minutes**

*Vice Chairperson Fitzhugh made a motion to approve the August 09, 2016 Regular and August 29, 2016 Special Telephonic meeting minutes, seconded by Trustee Thompson and unanimously carried.*

### **3. Discussion and Possible Action re June 2016 and July through September 2016 Financials**

Ms. Lacy pointed out that the June 2016 financials were being brought back for approval as there was a change to the accrual line which resulted in a change to the Trust's June 2016 surplus position. The error was due to the linking of cells and has been corrected going forward. Ms. Lacy then reviewed the Trust's fund results as of September 2016, making note of the changes to the financial report such as the addition of Rx Rebates as well as LTD. Ms. Lacy went on to report how the Trust is doing for the first quarter of the fiscal year noting that the Trust is currently at 24% of its total budget.

*Trustee Thompson made a motion to approve the June 2016 and July through September 2016 financials, seconded by Alternate Trustee Temple and unanimously carried.*

### **4. Discussion and Possible Action re Prescription Fill Threshold**

Ms. Schulenberg reported that Navitus is recommending updating the prescription fill threshold for retail 30-day prescription from 70% to 75% and the 90-day prescriptions from 50% to 70%, meaning once a member has utilized 70% or 75% of their medications, they can refill at that time. This change is expected to reduce Fraud, Waste and Abuse as well as stockpiling of medications. Trustee Thompson asked if there has been any actual fraud due to the lower percentages; Laura Phillipson with Navitus stated she would go back to her compliance team for some additional statistics. Alternate Trustee Trimble asked what the cost impact is to the Trust; Ms. Schulenberg reported that because this is a mid-year change ECA had not asked Mike Schionning to review it, however, presumably there would be a savings to the Trust due to filling fewer prescriptions. Alternate Trustee King reported that this item was discussed at the Admin meeting and they all agreed with the recommendation, noting that the percentages are industry standard. Vice Chairperson Fitzhugh requested additional information to be used in educating employees before the change takes place in January 2017.

*Alternate Trustee Temple made a motion to approve the prescription fill threshold to 75% for a 30-day supply and to 70% for a 90-day supply, seconded by Vice Chairperson Fitzhugh and unanimously carried.*

### **5. Discussion and Possible Action re Reserve Goal and Establishment of Reserve Policy**

Ms. Schulenberg reported that the subcommittee met and directed her to gather additional information and schedule another meeting with the Trust's actuary, Mike Shionning with Cheiron, to develop a recommendation for the surplus goal. Chairperson Powell and Vice Chairperson Fitzhugh are on the subcommittee and updated members of the board on the meeting which included potential goals, time frames and investment options. Both are looking for direction from Trustees to make sure they are heading in the right direction.

Alternate Trustee Lew suggested that before a request for formal action is brought before the Board that a work session be held to ensure that Trustees fully understand the recommendation and requested action.

#### **6. Discussion and Possible Action re Representation on AmeriBen President's Council**

Ms. Schulenberg reminded Trustees that AzMT currently has two members that serve on AmeriBen's President's Council, Kathy Reyes and Justin Cook. The President's Council is an opportunity for select AmeriBen clients to provide feedback on AmeriBen's services, learn about upcoming technology, and products, etc. The Admin Group has recommended that Trustees adopt a rotation schedule that would allow all entity staff to participate in this opportunity.

Board members discussed the rotation at length; Ms. Reyes and Mr. Cook also provided feedback in regards to how long the "term" should be and the benefit of retaining a knowledgeable representative on the Council for continuity purposes. There was also a question as to whether AzMT could pay to have a third member attend.

*Alternate Trustee Lew made a motion to use a staggered two-year rotation based on alphabetical entity order with Justin Cook to remain for the next rotation, seconded by Trustee Isom and unanimously carried.*

#### **7. Review of IBNR**

Ms. Schulenberg reviewed the Incurred But Not Paid/Reported Claims Reserve as of June 30, 2016 noting that the IBNR liability increased by \$1,778,000 when compared to the 2014-15 plan year. The large increase is due to the addition of Pinal County as there are more claims being incurred than previous plan years. Alternate Trustee Lew commented that when there is education in regards to the surplus goal, the IBNR report should be added as to why the two are different. This line item was informational only.

#### **8. Introduction of Revision to Bylaws**

Ms. Schulenberg stated that at the last Trust meeting, Trustees suggested revising the bylaws to reflect that election of officers would occur every other year versus annually. The recommended change is outlined in the bylaws along with updating the Trust's principal office address. Trustees and staff raised other questions which included a Trustee rotation, whether members should be present to be nominated, etc. After discussion, Trustees agreed that board members should be present to accept or decline a nomination, that the intent is for the Vice Chair to move to the Chairperson position after two-years, and that all entities should be encouraged to be involved by serving as an Officer on a rotational basis.

Ms. Schulenberg stated that she will make the requested changes and bring back for approval at a future meeting.

## **9. Medical Claims Update**

Kelly Schoonmaker from AmeriBen provided Trustees with an update on changes that are occurring at AmeriBen including the Web Portal re-design, HiTrust Certification, and a recap of the 2016 Leadership Conference. Ms. Schoonmaker then provided a high-level review through June 30, 2016 including medical economics, medical management, recommendations for education to employees as well as plan performance statistics.

## **10. Prescription Claims Update**

Laura Phillipson and Karla Anderson with Navitus reviewed the quarterly report. Ms. Phillipson reviewed the plan statistics, performance metrics, and network management, while Ms. Anderson reviewed drug utilization and the specialty drug program.

## **11. Dental Claims Update**

Chris Coyle with Delta Dental reviewed the October 2015 through September 2016 customer service statistics, claims by coverage, dentist selection, PPO usage and fee savings, and cost management savings.

## **12. Wellness Update**

Jacquelyn Ikononov with ECA provided an update on the ongoing and upcoming wellness events including the following Programs:

- Men's Health Awareness/Prostate Health Month;
- Cardiac and Organ Screenings;
- Flu, Pneumonia, & Shingles Vaccinations;
- Fitbits;
- Mammogram Screenings;
- Cooking Demonstrations; and
- On-site Massage.

Chairperson Powell suggested moving this item up on the agenda preferably after the financial update. He also suggested that since Ms. Ikononov is new that maybe she could bring fresh ideas to the Trust for the upcoming fiscal year and what she thinks they should be doing as a Trust. Trustee Isom noted that they are really enjoying the FitBit program and he believes it is changing lives in their population.

## **13. Admin Update**

Ms. Schulenberg reported on the following admin items:

- AmeriBens President's Council – Kathy Reyes and Justin Cook provided a brief update of their experience from attendance at the conference.

- Vendor Reports – The EAP, Vision, Utilization Review, Teladoc and website reports were attached for Trustee review.
- Vendor Representation – Trustees agreed that vendors (AmeriBen, Navitus, and Delta Dental) will be invited to present at meetings twice a year, once at renewal and again after the end of a fiscal year
- Marketing – Maricopa is bringing forward a recommendation to join AzMT on 11/1 and as such, an open enrollment planning meeting has been scheduled for 11/3. ECA has also received inquiries from Paradise Valley, Litchfield Park and Superstition Mountain Facilities District.

#### **14. Future Agenda Items**

- Update on Reserve Policy
- Revised Bylaws
- Move Wellness up in the agenda
- Retiree Coverage

#### **15. Set Next Meeting Date**

The next meeting is scheduled for January 26, 2017 at 10:00 a.m. at the City of El Mirage's new City Hall. This meeting will be a work session meeting in preparation for the upcoming renewal meeting.

#### **16. Call to the Public**

No public was present.

#### **17. Adjourn**

The meeting adjourned at 11:58 a.m.

Respectfully Submitted,

Elena Lacy  
Recording Secretary