

Cochise Combined Trust
DRAFT - Minutes of Annual Renewal Meeting
Thursday, January 24, 2019 and Friday, January 25, 2019

Cochise Combined Trust
DRAFT - Minutes of Workshop Session
Thursday, January 24, 2019

Trustees Present:

Wendy Davis, Chairperson
Julie Morales, Vice Chairperson/Treasurer
Ed Gilligan, Trustee
J.D. Rottweiler, Trustee

Others Present:

Karla Anderson, Navitus
Erin Collins, ECA
Derrick Cooper, ECA
Robert Dover, ECA
Ken Downie, Alliance Work Partners
Daniel Duchon, City of Bisbee
Jen Edmonson, BCBS of Arizona
Mike Hensley, Jones Skelton & Hochuli
Wick Lewis, Cochise College

Stephanie Moore, ECA
Laura Phillipson, Navitus
Robin Rossbach, Cochise County
Mike Schionning, Cheiron
Kelly Schoonmaker, AmeriBen
Michele Soules, BCBS of Arizona
Rose Stamps-Proper, Ameritas
James Summers, Cheiron
James Tibbets, Cochise College
Pam Vannoy, AmeriBen

1. Call to Order

The meeting was called to order at 8:32 a.m.

2. Opening Remarks, Introductions and Agenda Review

Stephanie Moore from ECA welcomed everyone to the 2019-20 Cochise Combined Trust renewal meeting and reviewed the conference agenda.

3. Medical Claims Review

Kelly Schoonmaker and Pam Vannoy from AmeriBen, presented the medical claims review for Incurred claims from October 2017 through September 2018, paid through November 2018 with a comparison for Incurred claims from October 2016 through September 2018. Their presentation included the AmeriBen initiatives for 2019, plan performance reports, medical management executive summary (*recommended adding mental health, transplant, air ambulance and home health to pre-cert*), pilot program (*AmeriBen Concierge Customer*

Service, free of charge for the 1st year, then \$5.00 PEPM fee thereafter) and Teladoc (July 2018 through December 2018).

4. Blue Cross Blue Shield Update

Michele Soules and Jen Edmonson from Blue Cross Blue Shield of Arizona discussed the positive changes at BCBSAZ, service and network updates, discounts & utilization reports, Blue Card, *(available to CCT on July 1, 2020)*, if the trust wishes to offer this. An update on the Mayo network as a provider partner with BCBSAZ *(CCT through ECA has an exclusion currently through 6/30/2020)*. Michele offered a three (3) year rate guarantees beginning July 1, 2019. Discussed that BCBSAZ has contracted with 15 Air Ambulances within Arizona, that BCBSAZ will add Cochise Urgent Care locations to the exclusive website through AmeriBen and create a flyer to give to AmeriBen to put on the website as a link.

5. Prescription Claims Review

Laura Phillipson and Karla Anderson from Navitus presented an executive summary of the prescription drug utilization for July through December 2017 compared to July through December 2018 that included top ten drugs, top therapeutic categories, Navitus specialty Rx, top pharmacy groups by script count and 2019 Opioid Changes. Navitus will continue to look at Top Pharmacy Groups.

6. Dental and Vision Claims Review

Rose Stamps-Proper from Ameritas, presented dental and vision claims for the calendar year 2018 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. Chairperson Davis asked Ameritas to reach out to the three (3) Non-networks providers (Steven A Swidler, Tucson; Don K Rogers, Sierra Vista and; Ronald John Veto, Sierra Vista) on the top provider utilization report to see if they have interest in joining the Ameritas network.

7. Employee Assistance Program Review

Ken Downie from Alliance Work Partners, presented EAP utilization from July 2018 through December 2018 that included promotional resources, online resources, and AWP initiative for 2019-20 plan year.

8. Annual Trustee Legal Issue Training

Mike Hensley from Jones, Skelton & Hochuli provided a training session on Legal Issues for Group Health Plan Trustees.

9. Trust Financial Status through November 30, 2018

Robert Dover from ECA presented a financial comparison of plan years 2016-17 and 2017-18 as well as July 1, 2018, through November 30, 2018.

10. 2018-19 Wellness Program Review and 2019-20 Program Recommendations

Derrick Cooper from ECA, presented a review of the current wellness program, top medical claims, screening participation comparison, Chronic Condition Hierarchical Groups, and Hypertension. He discussed the future of the wellness program with CCT's top risk of Hypertension, Active Cancers and Diabetes. Derrick recommended for the 2019-20 plan year an increase in marketing for screenings to boost participation and implement the basic wellness portal through AmeriBen's MediKeeper.

11. Recommended Claim Funding Rates and Benefit Options for the 2019-20 plan year

Mike Schionning from Cheiron reviewed the actuarial rate development for the 2019-20 plan year including the proposed claim funding rates. The Medical/Rx rates changes for recommended was 0.2%, and the minimum was -4.1%. The Dental rate increase for recommended was 2.9%, and the minimum was -1.5%. The Vision increase for recommended was -0.6%, and the minimum was -3.9%. The Short-Term Disability (STD) rate increase for recommended was -14.9%, and the minimum was -18.7%.

12. 2019-20 Renewal Discussion and Budget Building

Stephanie Moore reviewed the 2019-20 proposed budget, with the Medical/Rx claim funding with the recommended rate of 0.2%, dental with a 0% increase and no increase or decrease to Vision and STD funding. Also, reviewed the Insurance and administrative fees and benefit change options (*see attachment #1 for the list of fees and benefit change options*).

13. Adjournment

The meeting was adjourned at 2:38 p.m.

COCHISE COMBINED TRUST
DRAFT – Minutes of Annual Renewal Trust Meeting
Friday, January 25, 2019

Trustees Present:

Wendy Davis, Chairperson
Julie Morales, Vice Chairperson/Treasurer
Ed Gilligan, Trustee
J.D. Rottweiler, Trustee

Others Present:

Karla Anderson, Navitus
Erin Collins, ECA
Derrick Cooper, ECA
Robert Dover, ECA
Ken Downie, Alliance Work Partners
Jen Edmonson, BCBS of Arizona
Mike Hensley, Jones Skelton & Hochuli
Wick Lewis, Cochise College

Stephanie Moore, ECA
Laura Phillipson, Navitus
Robin Rossbach, Cochise County
Mike Schionning, Cheiron
Kelly Schoonmaker, AmeriBen
Michele Soules, BCBS of Arizona
Rose Stamps-Proper, Ameritas
James Summers, Cheiron
James Tibbets, Cochise College

1. Call to Order

The meeting was called to order at 8:30 a.m.

2. Discussion and Possible Action Regarding a Claim Subrogation Settlement Offer

This agenda item recessed into an executive session.

Trustee Rottweiler made a motion to enter Executive Session to discuss the Claim Subrogation Settlement Offer; Trustee Gilligan seconded the motion at 8:30 a.m. and the motion passed unanimously.

Trustee Gilligan made a motion to exit Executive Session; Trustee Rottweiler seconded the motion at 8:40 a.m. and the motion passed unanimously.

Trustee Gilligan made a motion to authorize Phia to negotiate a settlement of the subrogation amount given to trust council in the executive session, Trustee Rottweiler seconded the motion, and the motion passed unanimously.

3. Approval of the October 31, 2018, Regular Trust Meeting and November 30, 2018, Special Trust Meeting Minutes

Vice Chairperson/Treasurer Morales made a motion to approve the October 31, 2018, Regular Trust Meeting and November 30, 2018, Special Trust Meeting Minutes as presented without changes, Trustee Gilligan seconded the motion, and the motion passed unanimously.

4. Approval of September through November 2018 Financials

Trustee Rottweiler made a motion to approve the September through November 2018 Financials, Trustee Gilligan seconded the motion, and the motion passed unanimously.

5. June 30, 2018, Financial Audit

Stephanie Moore provided a bound copy of the Audit for each of the Trustees. It was determined that everything is in line for recommended accounting standards. The County requested three additional bound copies of the Audit.

No motion required.

6. Discussion and Possible Action Regarding Approval of the 2019-20 Benefits and Rates

Stephanie Moore reviewed and discussed the budget, benefits and rates presented during the renewal workshop.

Benefit Change Options:

Medical/Rx:

EPO:

- 1) Minimum Medical/Rx funding factors;
- 2) Increase Emergency Room from \$100 copay, deductible then coinsurance to \$250 copay, deductible then coinsurance;
- 3) Decrease the Urgent care copay from \$50 to \$35, and;
- 4) Decrease the Teladoc copay after the two (2) free visits from \$45 to \$35.

Buy-Up EPO

- 1) Minimum Medical/Rx funding factors;
- 2) Increase Emergency Room from \$100 copay, deductible then coinsurance to \$250 copay, deductible then coinsurance;
- 3) Decrease the Urgent care copay from \$50 to \$35, and;
- 4) Decrease the Teladoc copay after the two (2) free visits from \$45 to \$35

HDHP

- 1) Minimum Medical/Rx funding factors.

Buy-Up HDHP

- 1) Minimum Medical/Rx funding factors.

All Plans (*EPO, Buy-Up EPO, HDHP and Buy-Up HDHP*)

- 1) Add the following services to precertification:
 - Inpatient mental health/substance abuse treatment (including residential treatment facility services);
 - Transplant (other than cornea), including, but not limited to, kidney, liver, heart, lung, pancreas, and bone marrow replacement to stem cell transfer after high-dose chemotherapy;
 - Home health care services;
 - Partial hospitalization and intensive outpatient program in excess of eighteen (18) visits per plan year, for mental health and substance abuse, and;
 - Fixed Wing Air Ambulance.

Dental

- 1) Minimum Dental funding factors.

Vision

- 1) Recommended Vision funding factors.

Short Term Disability

- 1) Recommended STD funding factors.

Trustee Rottweiler made a motion to accept the 2019-20 Benefits and Rates as listed above, Trustee Gilligan seconded the motion, and the motion passed unanimously.

7. Discussion and Possible Action Regarding Approval of the 2019-20 Administrative Vendor Contract Amendments

The following administrative contracts were up for renewal effective July 1, 2019:

- 1) BlueCross BlueShield (Provider Network), a three-year agreement with a \$0.50 PEPM increase each year. The rate would increase from the current \$14.00 to \$14.50 for the 2019-20 plan year.
- 2) Jones, Skelton & Hochuli (Trust Attorney), a change in the hourly rates for services with a two-year rate guarantee:
 - Partners from \$225 to \$240;
 - Associates from \$190 to \$200;
 - Paralegal and clerks no change at \$130.
- 3) Douglas P. Kienitz (Auditor), a \$200 increase to his annual fee, from \$6,650 to \$6,850.

Trustee Gilligan made a motion to approve as presented and authorized the Trust Chairperson to execute all renewal documents upon review and approval by legal counsel, Trustee Rottweiler seconded the motion, and the motion passed unanimously.

8. Administrative Update

There were no administrative updates.

9. Future Agenda Items

Nothing noted.

10. Set Next Meeting

The next meeting is scheduled for April 24, 2019, 2:00 p.m. at Cochise College.

11. Call to the public

No public was present.

12. Adjournment

The meeting was adjourned at 8:56 a.m.

Respectfully Submitted,

Robert Dover, Group Benefits Specialist

Insurance and Administrative Fees

The Trust’s insurance and administrative fees included in the draft budget, together with our assumptions, include:

1. Specific Stop Loss – We are estimating a 20% increase in premium based on CCT claims and the overall reinsurance market. As always, to the degree the actual number comes in different than the budget, we will shuffle money into or out of General Administration so as not to impact the rates that are adopted before this renewal can be finalized. Estimated factors are as follows:

	2018-19 Premiums	Estimated 2019-20 Premiums
Specific Stop-Loss		
- Employee	\$20.76	\$24.91
- Employee+Family	\$64.39	\$77.27

2. Aggregate Stop Loss – We are assuming a 20% increase over expiring premium which increases the PEPM from \$2.00 to \$2.40.
3. Third-Party Administrator (TPA) – Due to the Request for Proposal for Third Party Administrator TPA, STD Administration and COBRA Administration remains unchanged from the current year budget at \$15.00/PEPM, \$.75/PEPM and \$.75/PEPM respectively.
4. BlueCross BlueShield of Arizona (BCBSAZ) (PPO Network) – BCBSAZ has requested a \$.50/PEPM increase from \$14.00/PEPM to \$14.50/PEPM.
5. AmeriBen (Utilization Review) – Due to the Request for Proposal for Utilization Review/Management and Case Management this line remains unchanged for the current budget, currently \$3.48/PEPM.
6. Navitus Health Solutions (PBM) – Due to the multi-year agreement the rate for administrative services will remain at \$2.44/PEPM which equates to \$4.53/PEPM and is unchanged from 2018-19.
7. Dental Administration – Ameritas is holding their rate for another year at \$3.20/PEPM
8. Vision Administration – Per the contract, the Ameritas administrative rate will remain at \$1.66/PEPM.
9. Securian (Life Insurance and AD&D) – per the multi-year agreement, this will remain unchanged for plan year 2019-20.
10. Out-of-Network % of Savings – The total of this line item, which is budgeted to pay the % of savings fees for out-of-network claims negotiation, is higher than last year, changing from \$0.86 to \$2.39 PEPM. Using the census numbers on the proposed budget, this equates to an annual increase from \$10,991 to \$30,544. This number is derived from the current year utilization.

11. Erin P. Collins & Associates (ECA) (Benefits Consulting/Pool Administration) – Due to the multi-year agreement offered in 2018-19 there is no increase to the ECA Consulting/Administration fee for the 2019-20 Plan year. No change to the \$1.00 dental administration fee.
12. Erin P. Collins & Associates (ECA) (Wellness Consulting) – Assuming there is no change in the wellness programming for next plan year there is no change planned to the ECA Wellness Consulting fee for 2019-20. Should CCT decide to add programming or the management of a wellness portal, ECA would request a increase in the Consulting fee commensurate with the increase in programming.
13. Wellness Programs – This is the line item for Wellness programs and incentives. The budget for this line remains at \$3.66/PEPM.
14. Cheiron (Actuary) – Actuarial services were part of an RFP during the 2018-19 plan year and the rates and the \$15,000 not-to-exceed were approved at the October 31, 2018 regular trust meeting.
15. Auditor (Doug Kienitz) – Doug Kienitz has requested a \$200/year increase to his fee, which will increase from \$6,650 to \$6,850.
16. Jones Skelton & Hochuli (Legal Counsel) – JSH has requested an increase in the hourly rate for Partners (from \$224 to \$240 per hour) and for Associates (from \$190 to \$200 per hour). The balance of the rates remains unchanged.
17. Alliance Work Partners (EAP) – Pursuant to the contract in force, the rate of \$1.11/PEPM will remain unchanged for 2019-20.
18. Department of Insurance (DOI) – We have assumed no increase to this item for 2019-20. The DOI Audit occurs every five years, however the funds are budgeted annually so as not to artificially inflate premiums in the years when the exam is due.
19. Miscellaneous – This line item is budgeted at \$45,990 and includes estimated administrative expenses such as printing of the annual Summary Plan Document, Trustee liability insurance, meeting expenses, banking fees, website fees, etc.

Benefit Change Options

ECA, in conjunction with CCT staff, asked the actuary to price out a number of benefit changes that we will discuss in detail during the renewal meetings. For your convenience, the current benefit is in parentheses next to each item. We did not include any of these options in the initial budget presentation.

All Plans

Add 100% coverage for all on-site wellness screenings (Limit of \$500 for Non-HCR Wellness)

Increase non-HCR on-site wellness to \$750 (Limit of \$500 for Non-HCR Wellness)

EPO

Increase MOOP to \$4,000/\$15,800 (\$3,500/\$14,300)

Increase MOOP to \$7,900/\$15,800 (\$3,500/\$14,300)

Increase Specialist Co-pay to \$40 (\$35)

Change Specialty Pharmacy co-pay to 20% up to \$200 (\$100)

Change Teladoc to two (2) per plan year free then \$20 co-pay (Two (2) free then \$45)

EPO Buy-UP

Increase MOOP to \$2,500/\$7,500 (\$2,000/\$6,000)

Increase Specialist Co-pay to \$40 (\$35)
Change Specialty Pharmacy co-pay to 20% up to \$200 (\$100)
Change Teladoc to two (2) per plan year free then \$20 co-pay (Two (2) free then \$45)

HDHP

Increase Non-Network deductible to \$7,500/\$15,000 (\$5,000/\$10,000)
Change Non-Network MOOP to unlimited (\$10,000/\$20,000)

HDHP Buy-Up

Increase Non-Network deductible to \$7,500/\$15,000 (\$5,000/\$10,000)
Change Non-Network MOOP to unlimited (\$10,000/\$20,000)
Decrease Plan Coinsurance to 80% for all services (90%)
Change Rx Coinsurance to 80% after deductible (to match Medical option)