

Pima County Health Care Benefits Trust Board Meeting

August 23, 2018, 9:00 a.m.

Pursuant to A.R.S. § 38-431.02, notice is hereby given that the Pima County Health Care Benefits Trust held a meeting open to the public on Thursday, August 23, 2018, at 9:00 a.m. The meeting was in the Human Resources Training Room located on the 4th floor of 150 W. Congress, Tucson, Arizona.

MINUTES

A. Roll Call

Present	Henry Boice, Chair, Board Member Keith Dommer, Board Member Daisy Jenkins, Board Member Dr. Francisco Garcia, Board Member
Absent	None
Also Present	Marchelle Pappas, Board Coordinator Cathy Bohland, Human Resources Daniel Jurkowitz, Pima County Attorney Office Eric Rustand, CBIZ Meredith Litton, Pima County, Finance Karen Peters, Aetna Jennifer Billa, Pima County, Human Resources Michele Milensky, Pima County, Finance Erin Marts, Pima County, Human Resources Gayl Zambo, Pima County, Human Resources Debbie Knutson, Pima County, Human Resources Xavier Rendon, Pima County, Finance Taylor Nervo, Employers Health Jessica Velasquez, CBIZ Ray Eveleth, Aetna Christine Luptak, CVS Tom Burke, Pima County, County Administration

Meeting was called to order at 8:59 a.m. During roll call Marchelle noted that Ellen Wheeler was appointed as a Trustee by the Board of Supervisors, effective January 2019.

B. Pledge of Allegiance

All present joined in the pledge of allegiance.

C. Open Meeting Law Review

- Daniel Jurkowitz, Pima County Attorney Office, presented updates to the open meeting law(s) and how they affect the Trust Board.
- Mr. Jurkowitz noted that the meeting minutes must contain each of the members and how they each voted.
- When there is a call to the audience the minutes must contain the name of the person addressing the Trust Board.
- Tom Burke noted that the Trust Board will want to be cognizant of not discussing items not on the agenda. If an item isn't on the agenda the Trust Board can ask for the specific item to be put on the next meeting agenda.
- Henry Boice questioned whether the Trust Board could address agenda items in any order or if items must be addressed in the order that they appear on the agenda. Mr. Jurkowitz noted that the Trust Board can speak to any agenda item in the order they see fit.
- Keith Dommer noted that the Trustee's must be cognizant of what is discussed before and after the meeting.
- No further discussion.

D. Discussion/Action: Election of Chairperson, Vice-Chairperson and Secretary

- Mr. Boice noted he would like the newly appointed Trustee's to introduce themselves (Item F. Introduction of Trustee's) prior to the election process. Each Trustee introduced themselves and gave a short bio.
- Mr. Boice noted that at a previous meeting after Mr. Bulzomi's retirement that he was elected the Chair; he was willing to step down. There was no motion for Mr. Boice to relinquish the chair.
- Mr. Dommer volunteered to be the Vice-Chairperson. Discussion followed. Daisy Jenkins raised objection to the stereotypical role as Secretary as associated with women, but stated that she willing to take on the task. Cathy Bohland noted that the Human Resources department would be available to assist the Secretary in its duties.
- Mr. Boice moved to appoint Mr. Dommer to the position of Vice-Chairperson and Ms. Jenkins to the position of Secretary. Dr. Garcia seconded. Vote taken – 4:0 in favor of the motion; motion passed unanimously.

E. Approval of May 10, 2018 Meeting Minutes

Mr. Boice moved to approve the minutes as presented. Mr. Dommer seconded. Vote taken – 4:0 to approve the minutes; motion passes unanimously.

F. Introductions (Trust Members, Pima County Staff, Aetna, CVS, Employers Health, CBIZ)

Mr. Boice asked all in attendance to introduce themselves. All present introduced themselves to the Trustees.

G. Pima County Finance Presentation – Investment Review

Meredith Litton presented the Pima County Investment Review Presentation.

- Arizona Revised Statute § 11-492 – No discussion
- Arizona Revised Statute § 35-323 – No discussion
- State Treasurer LGIP Performance – Mr. Burke asked Ms. Litton to explain the LGIP acronym. Ms. Litton noted LGIP was the method for which a local government invests. The long-term fund investment interest yields vary.
- Pool 5 – no discussion
- Pool 500 – no discussion

Ms. Litton inquired if the Trustees had any questions or concerns regarding the investment presentation. Ms. Litton noted that the short-term investment is through the County Treasurer and monies are used to pay claims and third-party administrators, etc. Other monies in the fund are invested in long term with the State Treasurer pool for a higher yield. Dr. Garcia asked what the average interest earned on the short and long-term investment pool. Ms. Litton answered that the average yield is 1.8%, but was 2.25% for the month of June on the long-term investment pool with the State Treasurer; short-term through Pima County Treasurer was an average of 1.38%, and 1.94% for the month of June. Mr. Dommer noted that an important element of the Trust is the oversight of public monies. Discussion ensued regarding public monies and maintaining a healthy Trust principal balance.

H. Aetna Presentation – Utilization Review

Ray Eveleth and Karen Peters presented the Aetna 4th quarter utilization review.

- Reporting Parameters - No discussion
- Demographics - current vs prior period - No discussion
- Claim Segmentation - No discussion
- Financial Summary - No discussion
- Impact of High Cost Claimants Current vs. Prior - No discussion
- Top Claimants Exceeding \$100,000 - No discussion
- Top 5 Claimants Exceeding \$100,000 - Annual - Dr. Garcia raised the question as to what disease categories amongst the top 5 were on the pharmacy claims. Ms. Peters answered - cancer, traumatic injury, and ongoing chronic conditions. This is true for

the claimants on the medical side of spend as well. One claimant is on both lists (past quarter and annual).

- Medical Utilization Summary - All plans - Current vs. Prior - No discussion
- Network Summary - No discussion
- Summary of Key Findings – Ms. Jenkins inquired if the insured lives include retirees. Gayl Zambo responded and identified that we no longer had the retirees on the plan, with the exception of those on Cobra. Ms. Jenkins would like Aetna to provide a break out of employees' vs dependents utilization. Mr. Eveleth provided that Aetna does have the ability to present this, and a care report can be presented should the Trust Board wish to see it. The Trust Board advised that they would like to see the breakout in employee/dependent utilization. Discussion ensued regarding emergency room visits, usage. Dr. Garcia requested more detail on claimants as to the medical and pharmacy spend, and creating diagnostic categories or pharmacological categories. Dr. Garcia provided that this will help the engagement of employees. Discussion ensued. Discussion regarding looking at entire spend as to trends in disease categories. Ms. Jenkins supports a deeper level of detail from the diagnostics as she feels this could benefit from our wellness plans. Mr. Eveleth noted that Aetna will break out and present to the Trust Board. Discussion ensued. Eric Rustand noted CBIZ can provide risk scoring on a six-month basis and more often as requested. In general, the Trustee's would like more detailed reporting. Mr. Dommer inquired regarding Aetna's target network discount of 66.2% or greater. Mr. Eveleth noted that if Aetna falls below that percentage, it triggers a penalty to Aetna on their administrative costs. Discussion ensued regarding claims discounts.
- RX spend summary of key findings - cost/trend - Dr. Garcia asked clarification regarding manufacturer discount applied towards co-pay. Mr. Eveleth noted that there is a program to waive fees for prescriptions to offer assistance for those employees on the plan who meet financial limits for the discount. Dr. Garcia noted that from the perspective of employees, is this something that they would be automatically funneled into. Low income employees on the high deductible plan could greatly benefit from the knowledge of this program and Dr. Garcia feels we need to inform the population or reach out to the members who have high cost specialty drugs. Christine Luptak from CVS – addressed the issue of employees who can't afford the co-pay and that members can contact the pharmacy for options as well. Continued discussion of programs ensued.
- Pharmacy review - No discussion
- Service Activity - No discussion
- Mr. Eveleth ended the Aetna presentation and inquired if anyone had additional questions on the information presented. Mr. Boice raised the question to Aetna regarding any concerns that Aetna possibly has at this time. Mr. Eveleth answered that staff of the wellness and benefits of Pima County are doing well and that the plan is healthy.

I. CBIZ Presentation – Utilization Review

Eric Rustand presented the pharmacy utilization review.

- Medical plan costs - incurred and paid – current plan year – Mr. Burke noted a drop in June because June claims are paid in July. The Data shows that as the year goes by, the claims are in sync per our budget forecasting.
- Claims Paid During Plan Year - July 2017 through June 2018 - Mr. Burke noted that Pima County contributes \$1,000/single and \$2,000/dependents to the Health Savings Accounts of the employees. Ms. Jenkins inquired if the plan or Pima County offered any type of incentive for any employee who chose to opt-out. Ms. Zambo answered that Pima County offers no incentive to opt-out and that out of 6200 benefits eligible employees, 5200 were enrolled. Mr. Dommer inquired as to how rebates are earned - drug manufacture rebates - pharmacy benefit management (PBM) and whether we receive rebates from the pharmacy. Discussed that there is no visibility of rebates and we are not directing employees towards these so they remain invisible to plan participants.
- Claims Paid continued - 15/16 Fiscal Year – No discussion
- Claims Paid continued - 14/15 Fiscal Year – No discussion
- Analysis year over year 13/15 plan year to current - No discussion
- Additional questions – Mr. Boice inquired from CBIZ consultant as whether they had any concerns/questions. Mr. Rustand noted the recent contractual process, that we are expecting that pharmacy expenses to decrease the next year, administrative costs should go down, as well as additional discounts for UMC/Banner network. The given projections are looking at a 1.5 reduction in cost. Mr. Burke commented regarding the budget process for the public sector as we are conservative in our projections. This year the HSA funds are coming out of the Trust instead the General Fund. We had \$41 million unrestricted funds and are currently keeping six months reserve for expenses. Dr. Garcia noted that as the plan continues to mature we need to look at high cost preventative therapeutic class of medications that are being increasingly prescribed at a high cost and will be out of reach for most of the employees in our population. Discussion ensued. Aetna mentioned opportunity of a performance network possibility.

J. Provide Trust Document and Outline Trustee Responsibilities

Cathy Bohland presented Trust Responsibilities and Outline for the Trustee(s).

- Ms. Bohland offered to Ms. Jenkins that HR staff/coordinator can provide minutes for review for assistance of the Secretary duties.
- Discussion regarding BOS notification and reporting from the Trustees. Mr. Boice would like to formalize this in some sort of way as to the time of year. The Trust Board can notify staff and information can be provided to the Trust Board at a meeting prior to submitting the annual report. Discussion regarding meetings and what information

is presented to the Trustees. Mr. Burke recommended to the Trustee's that November of each year would be the appropriate time to work with Staff to present recommendations for the next fiscal year. Mr. Boice recommended adding the annual report as agenda item with trends/benefit use - supplement with additional information item for next meeting.

K. Discuss Format/Information for Future Meetings

- 1. What information does the Trust want to see at future meetings** – Discussion regarding additional reporting information as identified in each area as previously identified and discussed during the Aetna, Pharmacy and Financial areas.
- 2. What dates/time does the Trust want to meet** – The Trust Board wishes to keep the meetings as scheduled, the second Thursday, every three months.
- 3. Any other direction to Staff from the Trust** – none at this time.

L. Call to the Audience – no response

M. Next Meeting Date

November 8, 2018, at 9:00 a.m., 150 W. Congress Street, 4th Floor, Human Resources

N. Adjournment

Mr. Boice moved to adjourn the meeting. Dr. Garcia seconded. Vote taken – 4:0 to adjourn; motion passes unanimously. Meeting adjourned at 10:58 a.m.