

Pima County Health Care Benefits Trust Board Meeting February 11, 2021

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, February 11, 2021 at 9:00 a.m.** The meeting was held virtually through Microsoft Teams.

MINUTES

A. Roll Call

Present	Keith Dommer, Chair, Board Member Daisy Jenkins, Board Member Ellen Wheeler, Board Member
Absent	Dr. Francisco Garcia, Board Member
Also Present	Marchelle Pappas, Board Coordinator Cathy Bohland, Pima County, Human Resources Gayl Zambo, Pima County, Human Resources Jennifer Billa, Pima County, Human Resources Erin Higdon, Pima County, Human Resources Debbie Knutson, Pima County, Human Resources Toni Parkhurst, Pima County, Human Resources Eric Rustand, CBIZ Mike Zucarelli, CBIZ Jessica Velasquez, CBIZ Ana Roth Arenas, CBIZ Matt Weel, CVS Health Lisa Richard, CVS Health Taylor Nervo, Employers Health Kevin Wenceslao, Employers Health Ray Eveleth, Aetna Karen Peters, Aetna Andy Welch, Pima County, Finance Anthony Batchelder, Pima County, Finance Blanca Rossetti, Pima County, Finance Jean Lee, Pima County, Finance Len Baldazo, Pima County, Finance Mandy Armenta, Pima County, Finance Xavier Rendon, Pima County, Finance Zulema Adame, Pima County, Finance

Meeting was called to order at 9:02 a.m.

B. Pledge of Allegiance

- All present joined in the pledge of allegiance.

C. Approval of November 12, 2020 Meeting Minutes

- Moved by Ms. Wheeler, seconded by Ms. Jenkins, approved 3:0.

D. Human Resources Items

- **Annual Trust Report – Keith Dommer**

Mr. Dommer provided the Pima County Health Care Benefits Trustee Annual Report Memorandum (page 7) and the Annual Trust Report (pages 8-9) noting that the template is the same that has been used from year to year. Mr. Dommer noted that the template and information provided meets the Annual Statutory Requirements for reporting and this requirement will be satisfied with the submission of the report to County Administration and the Board of Supervisors. Ms. Wheeler clarified if the report has been sent or if it is pending approval. Mr. Dommer confirmed that the report is pending approval.

Approval of Annual Trust Report

- Moved by Ms. Wheeler, seconded by Ms. Jenkins, approved 3:0

- **Trustee Membership Terms and Vacancies – Cathy Bohland**

Ms. Bohland provided an update that she has identified a potential fifth Trust Board Member, Jared Perkins. Mr. Perkins is the CEO at Children's Clinical Rehabilitative Services and holds an MPA. She and Ms. Zambo have both met with Mr. Perkins and will submit his CV to County Administration for consideration. Ms. Jenkins asked if the CV can be reviewed by Trust Board members. Mr. Dommer asked if Ms. Bohland would like the review and input of Board members. Ms. Bohland stated yes and that the CV would be sent as a BC: to the Board for review, and the responses / recommendations received from the Board would be forwarded to the County Administrator for review.

Ms. Bohland reminded the Board that their terms are for three years and three members are set to expire in 2021, Mr. Dommer, Dr. Garcia and Ms. Jenkins. Each of the members is eligible to serve two consecutive terms, renewing in August.

- **Delta Dental Quarterly Packet (Informational only) – Gayl Zambo**

Ms. Zambo briefly stated that the Delta Dental Quarterly Packet that was included in the packet (pages 97-113) is for information purposes only and that Delta Dental would be providing written updates each quarter and presenting the material once per year.

E. Aetna Presentation Summary – Ray Eveleth

- **Medical Utilization Review – 07/01/2020 – 12/31/2020**

Mr. Eveleth provided a Summary of Key Findings (page 116) for the review period of July 1, 2020 through December 31, 2020. Mr. Eveleth stated that there is a slight spending decrease of -0.5% versus the prior period. Mr. Eveleth highlighted that the number of High Cost Claimants had decreased -19.0%, a decrease in Utilization for admissions at -13.1% and a notable decrease of -31% for Maternity versus the prior period. Mr. Eveleth discussed the attributions to the medical cost categories that have had an impact on the increase in utilization. Currently Pima County has + 70 % of in-network utilization. Mr. Eveleth also noted that there has been a decrease in the percentage of Behavioral Health claims.

High Cost Claim – Karen Peters

Ms. Peters discussed the HCC Claimant Overview (page 123).

- **COVID-19 Informational Updates**

Mr. Eveleth briefly reviewed the COVID-19 Claims Impact (page 117). Mr. Eveleth noted that there is only one vaccination reported as of 01/24/2021 and that this number is expected to increase substantially.

F. Caremark/CVS Presentation Summary – Matt Weel

- **Pharmacy Utilization Review – 07/01/2020 – 12/31/2020**

- Mr. Weel provided the Pharmacy Utilization Review Report (page 142) for July 2020 – December 2020.

- ***Note: Mr. Weel stated that there is an error on page 142, “Financials – 2. Total Net Cost – July 2019 – Sept 2019 and July 2020 – Sept 2020” – should read “July 2019 – Dec 2019 and July 2020 to Dec 2020.”**

Mr. Weel provided an overview of the Total Gross Cost and reminded the Board that the rebate dollars are not factored in to the financial portion. Mr. Weel noted that there is an \$8.00 increase per employee trend that is being driven by the utilization of Specialty medications and that the Specialty Top Classes have remained the same.

- **COVID-19 Informational Updates**

Mr. Weel provided an update on COVID-19 vaccines administered. As of the report, there have been three paid vaccination claims (both doses received) and fifteen paid vaccination claims (one dose received). Mr. Zucarelli commented and clarified that this data is only for the claims that are specifically billed through the pharmacy benefit and

there possibly have been more vaccinations billed elsewhere. Mr. Rustand clarified the cost information as to the administrative cost only and that there is no additional cost to members.

Follow-Up-Specialty Copay Accumulator

Mr. Weel presented the *True Accumulation Copay Optimization* (pages 148-152) noting that Pima County would be able to save +19.3% on the Specialty Spend that Pima County has reported by establishing this program to deal with manufacturer co-pay cards. He explained that manufacturer co-pay cards greatly reduce the cost of specialty prescriptions to the plan member, but the member is given credit for the amount paid by the manufacturer toward the member's deductible and out-of-pocket spending requirement under the plan, even though the member has not incurred that cost. Ms. Wheeler asked if there is still a conflict between HHS and the IRS policies regarding how the co-pay cards should be treated. Mr. Zucarelli stated there is, but the recommendation of CBIZ (on advice of legal counsel) is to be in alignment with IRS regulation(s) and to also keep in mind the question of equity for Health Plan Participants. Mr. Dommer asked if there are any privacy issues and if Pima County would be infringing on any rights? Mr. Zucarelli stated no, and this is in compliance with all HIPAA guidelines. Ms. Jenkins asked about transparency and communication to our members. Mr. Weel responded that there would be a communications campaign in place to notify all impacted members of the change(s) and other steps in place prior to going live and after. Ms. Zambo reiterated that all members impacted will know well in advance and that our HR team will be ready. Mr. Zucarelli reminded the Board that the communication will affect only a small portion of our plan members, maybe ten to twelve at the most. Ms. Velazquez suggested when communicating the change, to include that this is to align with IRS regulations.

Mr. Dommer asked if there is a recommended timeline for implementing the *True Accumulation Copay Optimization*. Ms. Zambo responded that HR would like to have the plan in place on July 1. There was discussion about the best way for the Board to proceed and if a motion and vote were needed. Ms. Bohland asked if the item was agenzized as an "action item," which it was not. The Board was asked by staff to indicate if they were supportive of the change, without a vote. Ms. Wheeler responded that she is in support as 1) The plan aligns with IRS guidelines and 2) It will still allow the employee to apply the actual amount that the employee has spent toward the member's out-of-pocket requirement. Ms. Wheeler also asked that it be noted that there typically are items acted on that are not marked as "action items," to include the approval of meeting minutes. Ms. Bohland noted this. Mr. Dommer also said he is in support of implementing True Accumulation. Ms. Jenkins responded she is also in support, with the appropriate messaging. Both Mr. Dommer and Ms. Wheeler agreed that they agree with the need for appropriate messaging.

G. CBIZ Presentation – Eric Rustand

- **Claims Review – July 2020 to June 2021 (as of December 2020)**

Mr. Rustand provided the Paid Claims Overview through the month ending December 2020 (page 154). Mr. Rustand noted that Pima County has had significantly higher reporting for the latter half of year, which is to be expected given the current situation. Pima County has 21 high-cost claimants as of December 2020. Mr. Rustand noted that Pima County is currently looking at an +11.1% increase for year-end projections.

H. Pima County Finance – Andy Welch

Mr. Welch presented the Health Benefit Trust Fund Financial Statements for the following:

- **Quarterly Review** – pages 159 - 163
- **Budget Review** – pages 164
- **Investment Review** – pages 165 – 166

Mr. Welch noted that there was a transfer of \$3.5 million from the long term pool to the short term pool to have available cash to pay medical claims.

Mr. Dommer noted that the forecast for the Trust balance at the end of FY 2020-2021 is less than the reserve recommended by the Trust Board at the November 2020 meeting. He asked whether premiums will be adjusted to increase Trust Fund revenues and the Fund balance to the recommended level. Mr. Welch confirmed that would happen and noted that the Trust Board indicated a two-year period would be appropriate to achieve the desired reserves.

I. Call to the Audience

J. Housekeeping

- **Suggestions for Future Informational Topics for Discussion**
 - Revisit status of Trustee Membership.
- **Next Meeting Date – May 13, 2021**
- **Future Discussion Items**
 - Virta Program

K. Adjournment at 10:37 a.m.