

Pima County Health Care Benefits Trust Board Meeting

May 12, 2022

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, May 12, 2022 at 9:00 a.m.** The meeting was held virtually through Microsoft Teams.

MINUTES

A. Roll Call

Present	Keith Dommer, Chairperson, Board Member Tom Burke, Board Member Daisy Jenkins, Secretary, Board Member Monica Perez, Board Member
Absent	Jared Perkins, Vice Chair, Board Member
Also Present	Debbie Knutson, Board Coordinator Cathy Bohland, Pima County, Human Resources Gayl Zambo, Pima County, Human Resources Erin Higdon, Pima County, Human Resources Cody Martin, Pima County, Human Resources Toni Parkhurst, Pima County, Human Resources Eric Rustand, CBIZ Mike Zucarelli, CBIZ Oscar Diaz, CBIZ Kristine Kot, CBIZ Justine Shoener, CBIZ Lisa Richard, CVS Health Taylor Nervo, Employers Health Ann Coupland, Delta Dental Kevin Wenceslao, Employers Health Ray Eveleth, Aetna Karen Peters, Aetna Ellen Moulton, Pima County Andy Welch, Pima County, Finance Robert Szilagyi, Pima County, Finance Anthony Batchelder, Pima County, Finance

Mandy Armenta, Pima County, Finance
Claudia Owens, Pima County, Finance
Blanca Rosetti, Pima County, Finance
Zulema Adame, Pima County, Finance

Meeting was called to order at 9:05 a.m.

B. Pledge of Allegiance

- All present joined in the Pledge of Allegiance.

C. Approval of February 10, 2022 Meeting Minutes

- Moved by Ms. Jenkins, seconded by Mr. Burke, approved 4:0.

D. Human Resources – Eric Rustand

- **Update to proposed action effective July 1, 2022, to discontinue opting out of the provisions of the Affordable Care Act (ACA) requiring coverage for:**
 - **Mental health benefits;**
 - **Reconstructive surgery following mastectomies;**
 - **Dependent students on medically necessary leave of absence; and,**
 - **Benefits for mothers and newborns.**

Mr. Rustand provided information that Pima County will discontinue opting out of the provisions of the Affordable Care Act (ACA) requiring coverage for: mental health benefits, reconstructive surgery following mastectomies, dependent students on medically necessary leave of absence and benefits for mothers and newborns. Subsequently Pima County will no longer have to send out communication(s) on these provisions.

E. Aetna Presentation Summary – Ray Eveleth and Karen Peters

- **Medical Utilization Review – 07/01/2021 – 03/31/2022**

Mr. Eveleth presented a Summary of Key Findings (slide 11). Mr. Eveleth indicated that a slight decline is taking place. The medical spend increased 21.4% or \$4.8M to \$27.2M. Claimants under \$100K (all claims, excluding High Cost Claimants (HCCs) per \$100K) only increased 5.4% and claimants under \$100K (IP facility, excluding HCCs) was flat at 0.8%. Mr. Eveleth highlighted that the number of HCCs has increased 84% from 25 to 46 in the third quarter versus the prior period. Mr. Eveleth discussed the attributions to the

medical cost categories that have had an impact on the medical spend increase and the increase of HCCs. Ms. Peters provided information showing comorbidities as a driving factor in the spend on HCCs. Mr. Diaz posed a question on the diagnosis of “sepsis” and what Aetna may be doing in their handling of the increase of the diagnosis on claims billings. Ms. Peters confirmed that of the three claims in the presentation, the diagnosis was valid. Mr. Eveleth stated that he would look further into this inquiry. Mr. Eveleth provided information from the takeaway question posed during the February 10, 2022 meeting in which Mr. Rustand asked if the CMS approved 15% increase had been included for COVID claims and what amount had been included in the attached numbers. Mr. Eveleth confirmed that there has not been an inflator added to incurred Arizona claims.

- **High Cost Claims**

Ms. Peters discussed the HCC Overview (slide 15 – slide 18).

- **COVID -19 Update**

Mr. Eveleth briefly reviewed the COVID-19 Claims Impact (slide 12). Mr. Eveleth provided information that the report gives the total COVID-19 Claims Impact for 01/01/2021 to 03/31/2022. Mr. Eveleth stated that Aetna is beginning to see a return to pre-COVID numbers. Mr. Burke asked if there are any trends being seen and if it is getting better. Mr. Eveleth confirmed it is getting better and that there has been a significant drop off from the prior period.

F. CVS/Caremark & Employers Health Presentation – Lisa Richard and Kevin Wenceslao

- **Pharmacy Utilization Review – 07/01/2021 – 03/31/2022**

Ms. Richard presented the Pharmacy Utilization Review Report (slide 47) for July 2021 – March 31, 2022. Ms. Richard provided an overview of the Total Gross Trend Components and reminded the Board that the rebate dollars do not follow this timeline, lagging by about six months. Ms. Richard noted that there is an increase in specialty and non-specialty drug trends with utilization up by 9.7% of members with 1.4% more prescriptions. Mr. Diaz asked if the increase in specialty was due to the hemophilia cost. Ms. Richard responded that cancer medications are driving up the cost. Mr. Wenceslao presented the 2022 Clinical Strategies (slide 57) providing brief information on each of three items contained within the slide, noting that Auvi-Q has previously been excluded from the formulary. Ms. Jenkins asked about employee education on the generic medications that may be available versus the boutique type medications and the inundation of advertising that may be seen. Mr. Wenceslao responded that CVS does not necessarily mention these. However, Employers

Health can do a one off for specific medications. Mr. Zucarelli stated that this is a very educated question to ask and that the pharmacists generally engage within a conversation and / or provide the illicit denial. He also noted that it would be difficult to have a general communication. Ms. Zambo added that prescription cost information is included in HR conversations for prescriptions and the cost savings that may be available. Mr. Zucarelli provided the recommendation by CBIZ to put in number one (Auvi-Q) and pause on numbers two and three. Mr. Wenceslao confirmed these recommendations. Mr. Burke asked when the strategies are received, is it the Board or HR that signs off on these? Ms. Bohland confirmed that it has been HR. Mr. Zucarelli provided the CBIZ recommendation that a strategy is okay for HR to sign off, however, if there is a global or financial impact the Board would move on it. Mr. Rustand agreed.

- **COVID-19 Update**

Ms. Richard provided an update on supporting Pima County through COVID-19 (slide 53).

G. Delta Dental Annual Presentation Summary – Ann Coupland

- **Dental Utilization Review – July 2021 through March 2022**

Ms. Coupland presented highlights of the Delta Dental Plan (slide 67), noting that there is an uptick in paid claims for this period.

H. CBIZ Presentation – Oscar Diaz and Keith Dommer

- **Reserve and Funding Recommendation – Keith Dommer**

Mr. Dommer reviewed the *Trustees' Recommended Reserve Requirement and Recommended Funding Levels* document (slide 77 – Slide 78).

- **Claims Review – July 2021 through March 2022**

Mr. Diaz noted that the claims review (slide 79) was primarily covered by Aetna and large claimants have had a significant impact to the plan. Mr. Rustand provided that there is a claims decrease but there is still a significant cost to claimants with COVID.

I. Pima County Finance – Andy Welch

Mr. Welch presented the Health Benefit Trust Fund Financial Statements for the period ending March 31, 2022:

- **Quarterly Review – (slide 86 – slide 89)**

- **Budget Review** – (slide 90)
Mr. Burke asked on forecast per year, how does Finance and HR come up with this number? Mr. Welch answered that a trend analysis is completed, straight line and adjusted.
- **Investment Review** – (slide 91 – slide 92)

J. Call to the Audience

There were no audience comments.

J. Housekeeping

- **Next Meeting Date** - August 11, 2022
- **Future Discussion Items**
 - None

Adjournment at 11:15 a.m.