

Pima County Health Care Benefits Trust Board Meeting February 10, 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, February 10, 2022 at 9:00 a.m.** The meeting was held virtually though Microsoft Teams.

MINUTES

A. Roll Call

Present

Keith Dommer, Chair, Board Member
Tom Burke, Board Member
Daisy Jenkins, Board Member
Monica Perez, Board Member
Jared Perkins, 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
Toni Parkhurst, Pima County, Human Resources
Eric Rustand, CBIZ
Mike Zucarelli, CBIZ
Oscar Diaz, CBIZ
Kristine Kot, CBIZ
Lisa Richard, CVS Health
Sean Liang, CVS Health
Taylor Nervo, Employers Health
Ann Coupland, Delta Dental
Kevin Wenceslao, Employers Health
Ray Eveleth, Aetna
Karen Peters, Aetna
Michelle Campagne, Pima County, Finance
Andy Welch, Pima County, Finance
Robert Szilagy, 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 9:00 a.m.

B. Pledge of Allegiance

- All present joined in the pledge of allegiance.

C. Approval of November 10, 2021 Meeting Minutes

- Note: a correction has been made to show the correct date of November 10, 2021. The original Meeting Agenda has the date incorrectly listed as November 18, 2021.
- Moved by Ms. Jenkins, seconded by Mr. Perkins, approved 5:0.

D. Human Resources – Cathy Bohland and Gayl Zambo

- **Discussion/Action for Trustees to elect Chairperson, Vice-Chair and Secretary for the Plan Year 2021/2022. Considering its already February, should these roles remain in place through Plan Year 2022/2023?**

Ms. Bohland opened the item by welcoming Tom Burke to the Health Benefits Trust Board. Ms. Bohland discussed the need for discussion/action for Trustees to elect a Chairperson, Vice-Chair and Secretary for the remainder of Plan Year 2021/2022 and also Plan Year 2022/2023. Ms. Zambo reminded the Board that there will only be one meeting remaining for Plan Year 2021/2022. Mr. Dommer noted his preference to continue with the current Plan Year 2021/2022 and the roles to remain in place through Plan Year 2022/2023. Mr. Burke agreed. Mr. Dommer stated his willingness to continue as Board Chair. Ms. Jenkins agreed. Ms. Jenkins nominated Mr. Perkins for Board Vice-Chair, Mr. Perkins accepted. Ms. Zambo provided a brief overview of the Board Secretary role. Mr. Dommer nominated Ms. Jenkins, Ms. Jenkins accepted the nomination. Mr. Dommer opened elections for the remainder of Plan Year 2021/2022 and Plan Year 2022/2023. The new Trustee Board has been confirmed:

- Chairperson, moved by Ms. Jenkins, seconded by Mr. Perkins, approved 5:0.
 - Vice-Chair, moved by Ms. Jenkins, seconded by Mr. Dommer, approved 5:0.
 - Secretary, moved by Mr. Dommer, seconded by Mr. Perkins, approved 5:0.
- **Reschedule of November meeting from 11/10/2022 to 11/17/2022?**

Ms. Bohland presented the item noting the request to reschedule the November Trustee Board Meeting from November 10, 2022 to November 17, 2022. Mr. Dommer asked if a formal vote was necessary for this item. Ms. Bohland responded that a formal vote did not need to occur if all Board Members are in agreement. The Trustee Board Members each indicated that they were in agreement with this request. Mr. Dommer confirmed that the meeting for November 10, 2022 will be formally moved to November 17, 2022.

- **Delta Dental Quarterly Packet (Informational Only)**

Ms. Zambo stated that the Delta Dental Quarterly Packet (Informational Only, (slide 7 – slide 17) has been included within the Health Care Benefits Trust Meeting February 10, 2022 Meeting Packet as information only. This information will be sent every quarter.

E. Aetna Presentation Summary – Ray Eveleth and Karen Peters

- **Medical Utilization Review – 07/01/2021 – 12/31/2021**

Mr. Eveleth presented a Summary of Key Findings (slide 20) for the review period of July 1, 2021 through December 31, 2021. Mr. Eveleth indicated that the demographic size has remained relatively the same and that while there have been spikes over the last quarter the trends are flattening which is good news. The medical spend increased +16.5% or \$2.4 M to \$16.9M. However, claimants under \$100K (all claims, excluding high cost claimants per \$100K) was a flat +1.1% and claimants under \$100K (IP facility, excluding HCC) decreased -3.5%. Mr. Eveleth highlighted that the number of High Cost Claimants has increased +94.1% from seventeen to thirty-three in the second 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 also the increase of High Cost Claimants from seventeen to thirty-three. Mr. Eveleth provided additional data regarding utilization review in which a positive trend exists and there appears to be a return to normalcy versus the prior period. Mr. Rustand asked if the CMS approved 15% increase has been included for COVID claims and what amount has been included in the attached numbers. Mr. Eveleth will look into this further. Mr. Eveleth closed the item stating that Pima County has a great outlook in the first six months with the 16.2% increase taken into effect. Mr. Dommer asked how much of this increase was expected and if it was planned. Mr. Eveleth stated he was not able to speak to that as it is tough to determine. However, Ms. Peters has provided projections which may assist with this. Mr. Rustand stated that CBIZ will look into this and get additional information. Mr. Dommer asked for confirmation on the prior rate increase being 11% or 12% and not 16.5%. Mr. Rustand confirmed the rate is not 16.5%. Mr. Eveleth provided additional details for the increase to also include a large fund request that occurred during this quarter. Mr. Eveleth and Ms. Peters will further review the population under \$100K. Mr. Burke made note that preventive exams were low and asked about the County's Employee Wellness Plan and associated incentives. Ms. Higdon explained the recent change in laws that required a change in the Healthy Lifestyle Premium Discounts point structure. Preventive exams and health assessments are being

incentivized; but alternatives must be available. Mr. Diaz also mentioned an overall decline in preventive exams due to COVID.

- **High Cost Claims**

Ms. Peters discussed the HCC Claimant Overview (slide 24 – slide 29).

- **COVID -19 Update**

Mr. Eveleth briefly reviewed the COVID-19 Claims Impact (slide 21). Mr. Eveleth provided information that the report gives the total COVID-19 Claims Impact for 01/01/2021 to 12/31/2021. Mr. Eveleth provided details that the testing and vaccination data is not a true measure in terms of activity with members receiving their testing and vaccinations elsewhere. However, the claims activity is a true number.

- **Readmission Analysis**

Mr. Eveleth briefly reviewed the Readmission Analysis (slide 48 – slide 55) which Mr. Perkins had requested during the November 10, 2021 meeting.

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

- **Pharmacy Utilization Review – 07/01/2021 – 12/31/2021**

Ms. Richard presented the Pharmacy Utilization Review Report (slide 56) for July 2021 – December 31, 2021. 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 three months. Ms. Richard noted that there is a significant increase in the utilization and cost of prescription drugs, specifically specialty drugs. Mr. Diaz asked about the rebate attribution. Ms. Nervo provided information that specialty medications have the highest rebate, and the information is broken out in the rebate letters by channel. Ms. Nervo commented that this year has been the best year yet with the market check in place. Mr. Rustand provided that the market checks are completed annually. Ms. Richard reminded the Board that deductibles started over in July 2021 and that the *True Accumulation* program started at that time appears to be working. Mr. Burke asked about the copayment program that was previously in place. Ms. Richard confirmed that this is no longer in place and Mr. Zucarelli explained the IRS First-dollar rule relating to Health Savings Accounts.

- **COVID-19 Update**

Ms. Richard provided an update on supporting Pima County through COVID-19 (slide 60). As of January 22, 2022, there have been 1,468 COVID vaccines fully administered and 1,835 COVID vaccines partially administered. Ms. Richard noted the implementation of

COVID test purchases within the retail setting has been a struggle for many of the retail sites. Paper claims for COVID test purchases will begin to process toward the end of February.

G. CBIZ Presentation – Oscar Diaz

- **Claims Review – July 2021 through December 2021**

Mr. Diaz noted that the claims review (slide 76) was primarily covered by Aetna.

- **Cotiviti – July 2021 through December 2021**

Mr. Diaz presented the Cotiviti Report Summary (slide 82 – slide 85) and informed the Board that this information is provided twice per year with this being the last presentation of this report as CBIZ has contracted with an outside vendor to provide this data. Additional information and training are forthcoming. Mr. Eveleth provided additional information on the Care Gap Index (CGI) adding that Aetna One Choice information has a six-month reporting lag and Aetna is working with Pima County to promote this, also adding to the Annual Enrollment Guidebook. Mr. Diaz indicated that the gaps in care for wellness are well above the norm, but he does expect to see a rebound at mid-year or annual review. Ms. Jenkins asked if mental health should be added to wellness promotion measures. Mr. Diaz and Mr. Eveleth will check into this. Mr. Eveleth provided information that CVS/Caremark will be providing additional mental health services in their health hubs within the Tucson area in the near future. Mr. Perkins inquired about gaps in care and app-based services available to members. Ms. Higdon provided information that Pima County is looking into this further. Mr. Eveleth provided additional information about the Aetna based apps and how Pima County is doing a great job in vetting this.

H. Pima County Finance – Andy Welch

Mr. Welch presented the Health Benefit Trust Fund Financial Statements for the period ending December 31, 2021:

- **Quarterly Review** – slide 143 – slide 147

- **Budget Review** – slide 148

- **Investment Review** – slide 149 – slide 150

Mr. Dommer provided an overview of the target reserve rate and questioned if Pima County is staying within range and toward the bottom of the reserve amount. Mr. Welch confirmed this to be correct. Mr. Burke questioned if there had been a recent increase to the stop-loss

limit amount. Ms. Zambo confirmed that there was an increase to \$1 million several years ago. Mr. Welch noted the *Budget, Actual and Forecast* slide (slide 148) does not include the cost of COVID testing kits within the medical claims line and that this can be worked into the third quarter slides.

I. Call to the Audience

There were no audience comments.

J. Housekeeping

- **Next Meeting Date** - May 12, 2022

- **Future Discussion Items**
 - None

Adjournment at 10:52 a.m.