Tucson Unified School District No. 1
Employee Benefits Trust Meeting
Grey Room, Morrow Education Center
1010 East Tenth Street
Tucson, Arizona 85719

February 9, 2015
5:30 p.m.

MINUTES

**Committee Members Present**
Dr. Neil West  
Mark Mansfield  
Dr. Stegeman

**Committee Members Absent**
Anna Maiden  
Robert Harbour

**Others Present:**
Janet Underwood – Benefits Manager  
Christina Cruz --Senior Accounting Manager  
Debbie Hainke – Account Representative, AmeriBen  
Les Lauen -- Record-keeper

**MEETING CALLED TO ORDER**
Dr. West called the meeting to order at 5:30 p.m.

**QUORUM** - A quorum was present.

**CALL TO THE AUDIENCE**
No one requested to speak.

**INFORMATION / ACTION ITEM**
Dr. West asked the Board to entertain a replacement for himself as Trust Board Chair.

**MOTION**
Ms. Maiden nominated Mark Mansfield as the new Board Chair. Bob Harbour seconded the motion. Motion passed 4-0.

Dr. West welcomed Mark Mansfield as the new Trust Board Chairman, and Mr. Mansfield took over the responsibility of directing the meeting.

A discussion arose regarding the most recent audit results. Ms. Maiden recommended the topic be delayed until later. Dr. West agreed and suggested that it be placed on the next agenda. Mr. Harbour will be talking with the auditors at some point.
**Meeting Minutes**  
Mark Mansfield asked if there was a motion to approve the minutes of the last meeting.

Bob Harbour requested that the specific amount of reserves mentioned at the last meeting be included in the December minutes before a vote to approve them.

Mark Mansfield noted the Board will consider the December minutes at the next meeting after the reserve figures have been inserted.

**Financials**  
Mark Mansfield asked for the financials account.

Christina Cruz reported the IBNR is updated once a year and asked if they should continue to be shown the way they are currently. Dr. West replied that they should.

Ms. Cruz noted the subsidy has almost doubled since last year, and she focused upon several details of the financials before she concluded her report.

**New Business**  
**Report to the Governing Board**  
Dr. West observed that last year around this time he had made a report to the Governing Board about the status of the Trust Board. Dr. West and Mark Mansfield agreed that Mr. Mansfield should make the report this year but that Dr. West would also be on hand.

Ms. Maiden said the next opportunity to present the report would be March 10, 2015, and Dr. West and Mr. Mansfield might want to use the same model as last year’s report.

Janet Underwood said she would send Dr. West and Mr. Mansfield last year’s report in Word format so they could modify it easily.

Dr. West said he was puzzled that the Trust Board’s costs were not going up. A short discussion followed.

**RFP Update**  
Ms. Maiden commented that the RFP process is well underway.

Janet Underwood referred to the RFP documents distributed at the meeting and pointed out that the RFP is based on a template. She noted the original due date of 12/17/14 had been amended to let any vendor issue fully insured quotes.

A discussion arose related to the RFP committee meeting dates, which had been scheduled for the week of March 2-6. Mr. Mansfield, Dr. West, and Janet Underwood will

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**Dr. West made the motion to approve the December minutes.**

**Dr. West withdrew his motion to approve the December minutes.**

**Dr. West made the motion to accept the financials. Dr. Stegeman seconded the motion. The motion passed 5-0.**
work to coordinate dates so that the full committee will be able to meet.

Dr. West asked for the reasoning behind entertaining a full insured option, since the fully insured option was not the original intent of the RFP.

Ms. Maiden said the change had been made to allow ASBAIT and Valley Schools the opportunity to submit a proposal.

The Board then discussed the fees being charged by Buck. Dr. Stegeman asked how the agreement with Buck had been reached and who made the decision to grant them the job of overseeing the RFP. Janet Underwood explained the timelines of the RFP made it necessary to continue with Buck, since the consultant contract would also have had to be subject to an RFP if a change in consultants was being made. Ms. Maiden agreed. Janet Underwood noted the contract with Buck ends August 31.

**Appeals or Subrogation Updates**

Mark Mansfield asked for an update on the status of existing subrogation cases.

Debbie Hainke reviewed the subrogation report the Board members had been given for the meeting. She noted a counter offer of $400,000.00 had been made on the $700,000.00+ claim but that the claimant’s lawyers had not responded to that offer.

Dr. West suggested offering $600,000.00 with the stipulation that the plan would not be liable for future claims.

Mark Mansfield observed that the Trust Board depends on direction from Legal, which had advised not to withhold payments for claims.

Ms. Maiden said the Board has been directed not to withhold benefits.

Mark Mansfield proposed the Board may want to take the counter offer on the $700,000.00 claim in order to at least receive something.

**Old Business**

**Subrogation Policy Update Language**

Ms. Maiden referenced the plan’s subrogation language which had been distributed to those attending the meeting, and she pointed out that Russ Bowman (Strategic Recovery Partnership) recommended much of the original language be omitted or changed in accordance with the laws applying to subrogation in Arizona.

Mark Mansfield asked if there are remedies we are allowed to review.

Janet Underwood noted that stronger wording was available.

Dr. West asked if the attorney could be on the phone at the next meeting, and Debbie Hainke said he could be.

Mark Mansfield said it would be helpful if Janet Underwood could find language that would put the Trust Board first in line to be paid. He further noted it might be necessary to employ a subrogation lawyer. Dr. West agreed that paying an attorney might be a
good investment.

Janet Underwood called the Board’s attention to the fact that Russ Bowman, who had been counseling the Board, had firmly stated that only Medicare can be paid first; the Board cannot be paid first.

In the discussion that followed, the Board agreed not to meet on March 16; however, due to the timing on the RFP, the April meeting should be moved up to April 6. Bob Harbour commented that it would be difficult for him to attend, since he is heavily involved with tax issues until after April 15. Mark Mansfield asked if Mr. Harbour could call in to participate in the April 6 meeting, and Mr. Harbour said he could do that. Mark Mansfield also recommended that Russ Bowman call in for that meeting as well.

Large Claims Reporting & Procedure
Debbie Hainke referred to the cases listed on a spreadsheet she provided and explained that only one person currently had an open claim of $200,000.00 or above and that other claims have subsided.

In the discussion of claims, it was determined that the Board would like to see an updated claims report at each meeting with special attention being paid to large claims of $200,000.00 or above.

Process of Recruiting New Trust Board Members
Ms. Maiden said the idea was to present the new Trust Board agreement to the TUSD Governing Board on March 10 and then to request that people apply for Trust Board positions beginning March 11, assuming the agreement is approved at the March board meeting.

A discussion of the process confirmed the goal was to add two more members to the Trust Board.

Dr. Stegeman asked why it was necessary to wait for the Governing Board’s approval of the new agreement.

Ms. Maiden said the Governing Board had stipulated the time frame for considering the new agreement and allowing applications. Ms. Maiden suggested the Trust Board share the existing application with the Governing Board and noted that Dr. West has already started the process with an interested party.

Formatting of Financials
Christina Cruz asked the Trust Board to propose a format or changes from the current format.

Ms. Maiden suggested having stop loss in the financials would be helpful, and Ms. Cruz said it could be included at the end of the financials report.

A discussion of the financials formatting followed. Dr. West asked if a rolling average be included, something that could reveal a trend, perhaps a twelve or twenty-four month average, and Ms. Cruz replied that the rolling average could be included.
Janet Underwood stated it is important for the financials to be provided as early as possible so Trust Board members will have an opportunity to evaluate them prior to the meetings.

Ms. Maiden noted that it will be necessary to have a conference phone available for the April meeting. Additionally, Ms. Maiden suggested the pharmacy manager attend that.

Debbie Hainke said she would like to provide an annual review, perhaps showing utilization over the past two or three years. Ms. Maiden replied that Ms. Hainke should bring it and the Board would review it if there was time in the meeting.

Dr. West said he would like to see the impact of zero copay on routine prescriptions this year and that he is particularly concerned about making insulin affordable to those who need it.

Dr. Stegeman asked if changes were going to be made in the wellness program. Ms. Maiden stated they can be considered in May. Janet Underwood said that in order for those changes to be ready by 9/1/15, it might be important to know about them by the April meeting. Ms. Maiden recommended that someone report on the wellness program at the April meeting. Dr. West added that the Board would like to know the level of buy-in for this year. Debbie Hainke agreed to provide the information at the next meeting.

**Future Trust Board Meetings**
The Board agreed the next meeting would be on April 6, 2015.

Mark Mansfield asked if there was a motion to adjourn.

The meeting adjourned at 7:15 p.m.

Approved this _______ 6th _______ day of _____ April, 2015 _________.

TUSD EMPLOYEE BENEFITS TRUST BOARD

By ____________________________

Mark Mansfield, Chairperson