Committee Members Present:
Dr. Neil West
Dr. Stegeman
Yousef Awwad
Mark Mansfield
Robert Harbour

Others Present:
Janet Underwood – Recordkeeper
Louis Montoya – Buck Consultants
Debbie Hainke – AmeriBen
Rebecca Tristan - AmeriBen

MEETING CALLED TO ORDER
Meeting called to order at 5:33 p.m.

CALL TO THE AUDIENCE
No one requested to speak.

QUORUM - A quorum is present.

INFORMATION / ACTION ITEMS

Review Minutes
The 1/14/13 minutes were reviewed and a motion was made by Mark Mansfield to approve the minutes; seconded by Dr. Stegeman; motion carried 3-0.

Old Business

Claims/Administration /Oncology
Dr. West suggested that Buck and AmeriBen review this data to help the board understand this area (i.e. unit cost as compared against pharmacy plan cost). Table to next meeting.

**Review Financials**

The December 2012 financials were reviewed. The trust has $4.8m in IBNR liability and added equity of approximately $1.6m this month for a total of $19.8m, and about $24M in total between both. Mr. Awwad observed that medical claims are about $240k higher than last December and pharmacy is $68k less than same time last year. Dr. West has the data for 2012 as delivered by AmeriBen; hospital claims have been noted as having increased the first half of 2012. It was discussed that the financials also indicate a pharmacy rebate from our prior vendor. The audit is complete and will be provided to the board members. Move to accept the financials by Bob Harbour and seconded by Dr. Stegeman; motion carried 5-0.

**Consider any New Appeals or Subrogation:**

AmeriBen provided the remaining note from the prior appeal which was approved at the January 2013 meeting.

#1 Subro case MVA 7/13/11. The lien amount owed to TUSD is $6248.56. Mark Mansfield made a motion to counter with 2/3 of $6246; seconded by Bob Harbour; motion carried 5-0.

#2 Subro case MVA 7/17/12. The lien amount owed to TUSD is $5479.50. Mr. Harbour made a motion to counter for balance of the settlement after payment to others noted in the case (attorney, hospital, case costs), in the amount of $1250, just 25% of what the Plan has paid. Dr. Stegeman seconded the motion; motion carried 5-0.

**Legal Update – Subrogation Language**

Janet provided an update to the board regarding subrogation language for the Plan; TUSD Legal has reviewed the language and the current practice and the Trust Board would like a second opinion on this; it was discussed that we could ask TUSD Legal to outsource this research; additionally Buck can recommend a trust attorney in Arizona. We will ensure we follow procurement rules. Mark Mansfield made a motion to proceed with obtaining a second opinion and Yousef Awwad seconded the motion; motion carried 5-0.
New Business

Plan Design 2013-2014
Dr. West would like to go to the Governing Board in March with the new plan rates, and a summary of any significant plan changes.

Buck presented the Current Funding Projections document and will be looking at plan year-end projections in relation to 2013-2014 plan rates for next year look like.

The overall projected loss ratio is 103.6%, based on a rolling 12-month period. Individually per plan, cost ratios and projected increases are

- EPO is 101.1% : projected increase would be 12.3%
- PPO is 148.9% - projected increase would be 65% increase
- HDP is -47% - no projected increase

The current TUSD trend averages are worse than the national average. Additional review will be forthcoming on how our demographics compare to other districts. Buck provided a brief overview of a pooled plan, which caters to a smaller group, such as Vail School District, under ASBAIT.

The projected costs include all components of the premium projection, including PPACA. At this time, these are estimates that are being monitored. In last June’s estimate the loss ratio was 91%. So at this time, it is projected our collected premiums will be outweighed by claims costs by the end of the year.

Discussion regarding plan strategy, plan options, plan costs, PPACA was held. PPACA dictates that we offer insurance to all employees working over 30 or more hours. PPACA shared-responsibility says that the cost cannot be more than 9.5% of the employee’s TUSD adjusted gross income. Dr. West stated that the reserves will be eroded by the plan costs; going forward is a need for lower cost to the District. Two ways to do this are to reduce the richness of the EPO plan/make HDP more attractive, and allow the reserves to be reduced.

Dr. West is interested in what the next deliverable will be. Buck will bring scenarios to the next meeting with plans/plan design and show how to reduce the projected increase by 50%.

Additionally, in-patient stays will be researched as they are at 34% of all claims. Dr. West added that the network has an impact as well as
oncology. Buck and AmeriBen will review how hospital claims are being adjudicated; if a re-admission for the same diagnosis occurs within 48 hours, a second DRG should not apply; must ensure that system edits are in place at AmeriBen.

A comparison of TUSD’s plan to the Vail plan was provided. There are differences in the B15 plan to TUSD’s PPO plan and while there is some similarity the TUSD utilization is higher. We do not know the demographics of the Vail ASBAIT plan in order to compare to ours. Demographics review must be done (office visits, hospitalizations, and bed days per1000) for our population. Dr. West asked AmeriBen if they can do this and Debbie Hainke will check; Buck will provide templates to AmeriBen. We also need to see TUSD’s enrollment demographic. The plan will need to determine the future plan structure as well, as it relates to the network and utilization.

**Reserves**
A brief discussion regarding the reserve level in the plan and what is the right level, in relation to projected claims. This will be reviewed at the next meeting.

The next meeting is Monday, February 25, 2013 at 5:30pm. Additional meeting dates are 3/11/13, 3/25/13.

The meeting adjourned at 8:00pm.

Approved this 25th day of February 2013.

TUSD EMPLOYEE BENEFITS TRUST BOARD

By Dr. Neil R. West, EBT Board Chair