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

February 24, 2014  
5:30 p.m.  

MINUTES  

<table>
<thead>
<tr>
<th>Committee Members Present</th>
<th>Committee Members Absent</th>
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<tr>
<td>Dr. Neil West</td>
<td>Yousef Awwad</td>
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<td>Dr. Stegeman</td>
<td>Mark Mansfield</td>
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<td>Robert Harbour</td>
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Others Present:  
Janet Underwood – Recordkeeper  
Cliff Wadhams – Trust Accountant  
Debbie Hainke - AmeriBen  
Dan Zentgraf – Buck  
Robin Reeves – Buck  
Robert Burnell – Buck  

MEETING CALLED TO ORDER  
Meeting called to order at 5.38p.m.  

CALL TO THE AUDIENCE  
No one requested to speak.  

QUORUM - A quorum is present.  

INFORMATION / ACTION ITEMS  

Meeting Minutes  
Bob Harbour made a motion to approve the minutes and Dr. Stegeman seconded the motion; motion passed 3-0.  

Appeals or Subrogation  
There are no appeals or subrogation to report at this time.  

Financials  
Cliff Wadhams presented the financials for December 2013 and January 2014. The financials have been re-formatted to two categories – Restricted and Unrestricted. Restricted contains stabilization, wellness and lean adverse deviation fund as classified by the District’s auditors, Heinfield & Meech, at the last audit. The funds used against that are supplemental TUSD Employee premium. On the Unrestricted side, these are classified as normal expense
and revenue.

December Financial Statement: Unrestricted funds $95k+ is stabilization contribution for December and YTD is $378k. Revenue for month on unrestricted funds is $2m+ plus $3k of interest on the Wells Fargo side. $2,086,647 in expenses for December. Unrealized change value (GASB requirement) is $3800 less in value; that gap will change month to month. Overall, total column is both funds together. Bob Harbour asked about negative subsidy to TUSD (is “not” revenue but the amount the Trust Board has contributed from the reserves); Cliff says yes, and it will balance itself out by end of year. This subsidy is not to exceed $2.5m; each month. The Fund balance then is $27,322,000. The cash funds listing and investment funds listing are shown. We will invite Wells Fargo to a meeting to see why rest has not been invested.

Prior year comparison: look at both pages together: The Trust is $3.1m ahead of the prior year. Dr. West’s concern at PMPM average revenue is a little over $500/month and average cost is $460/month, about $50/month (PMPM) surplus. With medical costs flat the Board recognizes this surplus and it will be part of the rate discussion for next year’s plan.

January 2014: subsidy for January was $94,985k; Rev of $2.5m+, Investment Interest of $3000; Cliff has not received numbers from County yet and will report them when received. Total expense $20,233,161; $85k rebate for pharmacy for the month. Unrealized value in investment changed by -$3k for $585,939 of net income. Overall income for the year is $1.5m. Bob Harbour noted that investment interest is about 2/10 of a percent on a $14M investment; an update from Wells Fargo will be scheduled. The end result is $27,823,807. Average membership has decreased by about 800 as compared to the 2011 plan year enrollment.

The Board would like to determine if the Trust can invest in TUSD bonds, or other school district bonds; Finance will discuss with the Bond Council-Gus Rosenfeld.

**Old Business**

*CVS Drug Adherence Statistics* – Dustin Jones – table for next meeting

*CVS 2013 Reconciliation* – Dustin Jones – table for next meeting

*Disease Management Utilization report* – Debbie Hainke

The Disease Management program includes COPD, hypertension, asthma, and diabetes disease states. The census was compared to AmeriBen’s book of business; this report does not compare industry to industry; 57.9% in District which is high compared to block of business; is very indicative of a need to get employees involved in healthier lifestyles.

The data shows that despite efforts, AmeriBen cannot reach many employees due to incorrect phone numbers on file at TUSD. Also, 704 members have declined services. It is noted that chronic conditions are considered

Finance will discuss with the Bond Council-Gus Rosenfeld.
permanent. The Plan can address this in part through plan design, and data analysis. For example, to improve medication adherence for PPO members who have declined services or denied a health issue, we can educate them on the value of their care with zero copays for certain preventive medications.

Volume of calls, letters, etc for 2013 shows attempted/engaged, etc. Dr. West asked if they could do email questionnaires; can discuss at another date. AmeriBen also has the HRA tool on their website. The Plan can determine how to fund wellness activities also.

**Symetra Renewal – Preliminary direction – Dan Zentgraf**

In our current state, we are at a $400k Specific Deductible and $117 Aggregate Specific (once you satisfy the individual $400k (per member) and then we are responsible for the next $117k of costs across the Plan).

This is a unique product and not available at all providers; we would be able to get an estimated renewal only as it is too early in the plan year. The Trust would like to understand then the real value of stop loss; last year we had $141k reimbursement for a total of $152k of reimbursement; in 2012 we had $71k. In 2011, we had zero. Buck can bring a preliminary quote to the March meeting and then a hard quote for June. It is noted that a hard renewal from the current vendor will not be available until last least this May.

**Update on Transplants 2nd Opinion – Bob Burnell – table to March meeting**

Bob Burnell asked if we are talking about Centers of Excellence, and yes, we are. Debbie added that they are now working with Corsicare, a firm that offers second opinions. The purpose is for both a better outcome and a better network fee.

**Preliminary Schedule for 2014 Plan Design – Bob Burnell**

Bob Burnell provided a handout regarding wellness as a thought starter for our discussions at the next meeting. Buck and AmeriBen can review the MedAi data and build some wellness, incentive and structure of the plan to provide more opportunities for employees to be engaged and change or improve their health.

**Trust Agreement edits – Janet Underwood**

Janet will ensure the application process is defined, and talk with Julie Tolleson for approval on suggested edits. Janet will provide an update to Dr. West in March.

**Update on Governing Board meeting March 11 – Dr. West**

Dr. West will meet with Yousef this week as we will be presenting to the Governing Board in March. Due to the Board office on March 3, 2014.

**New Business**

**Employer Group Waiver Plan (EGWP) – Bob Ferraro**

Financial analysis of moving to Medicare Part D program for any of our eligible members; TUSD no longer has a separate retiree medical plan so this is not applicable.

The next meeting is March 24th, at 5:30 pm.

Mark Stegeman made a motion to adjourn the meeting; and Bob Harbour seconded the motion; passed 3-0. Meeting adjourned at 7:15PM.
Approved this 24th day of March, 2014.

TUSD EMPLOYEE BENEFITS TRUST BOARD

By

Dr. Neil R. West, EBT Board Chair