Meeting called to order at 5.30p.m.

No one requested to speak.

A quorum is present.

Meeting Minutes
Mark Mansfield made a motion to approve the January minutes; Dr. Stegeman seconded the motion; passed 3-0.

Appeals or Subrogation
There are no appeals or subrogation to report at this time. AmeriBen reviewed the subrogation process for the board. The issue is how to recoup funds owed to the Plan if an employee refuses to reimburse the Plan even after having signed the lien agreement.

Add Subrogation to the 4/28 agenda.

Anna can work with Legal, Janet and AmeriBen.
During the last review by TUSD Legal, it was recommended that our subrogation process put a lien in at the third party, so that payment would be made directly to TUSD. The subrogation vendor, SRP, said they have seen liens like that from providers but not a TPA or the Plan.

The Trust would like to have a subrogation policy in the Plan Documents by 9/1/14 with a more reliable way for the Plan to be paid.

**Financials**

Cliff Wadhams presented the February 2014 financials.

- Restricted Funds: Board has designated for a specific purpose such as reserves, stabilization, wellness
- Unrestricted
  - Total Revenue $2,201,822
  - Expenses $2,109,222
- No stop loss or rebates for month of February
- Net revenue of $184,424.00
- Interest WFB $2,695
- Beginning Equity Balance $26,288,445
- Ending Equity Balance $27,792,058
- Net decrease over prior year (Sep ’13 to Feb ’14) is $881k. (Prior Year Comparison pages).
  
  It was noted that the rate of acceleration is not as great at this point in time.

**Old Business**

**CVS Reconciliation:**

Rebates are guaranteed by retail, specialty, and mail order on a quarterly basis. Julia Rudinsky/Buck has requested Dustin Jones to also provide the brand counts. Rebates are paid sixty (60) days after the quarter closes; shows $362k total.

**Pricing Guarantees:**

The plan over performed on the Retail, but underperformed on Mail Order – Julia Rudinsky/Buck has requested follow up on the mail order as the Plan may be owed $12k on the pricing guarantee. Caremark is researching this.

**Dispensing Fee:**

No fee for mail order; fee for retail. Caremark performed at $1.10 and the guarantee is $1.15; they outperformed in this area. These are self reported numbers from Caremark. Buck can provide an audit for the Plan if warranted.

It was noted that AWP (Average Wholesale Price) discounts are more aggressive on mail order and can be reviewed for the next plan year. Additionally, specialty medications can have their own setup to initial fill at less than 30 days, to avoid waste should the medication not be optimal, to avoid waste.
Discussion on whether to charge a low, or no copay, on maintenance drugs in the PPO plan should be an option, however, the Plan does not want members to perceive this as meaning the medication is not important. At this time, the Plan already sees adherence issues and a cost reduction strategy could be used if the member were active in the Disease Management program. It is noted also that the HDHP offers a more comprehensive list of zero copay maintenance medications.

Dr. reported to GB there is a problem in disease management and that we’d structure next year plan on compliance and adherence.

See adherence – this is for HDHP. We need clarification on these adherence numbers. Who is our Peer? What is the % for TUSD

NRW requested:
- Need the list of preventive meds.
- What is the criterion CVS uses?
- Must show the person on every category of condition (repeat if necessary)
- Julia said they can do a “Gaps in Care” more detail report.

AmeriBen has both medical claims and prescription data, so Ben Wright, AmeriBen would recommend that we just use their programs as we already have the ability to do this. The industry is shifting to the “stick” rather than the carrot, and more with the deductible being the factor. Education has to be part of the overall design.

Dr. West asked if CVS does “Academic Detailing?” (Map out the 30 patients of Dr. “X” and show that physician that the patient is not adherent.) Per Debbie, the Disease Mgmt folks do talk to physicians. Per AmeriBen will work with Buck and Buck will bring the recommendations.

**Symetra**
Dan Zentgraf reported the Symetra pooling level proposal. TUSD is responsible for the first $400k of each member and then $117k aggregate. These numbers are preliminary and a more firm quote will be available approximately 60-90 days ahead of September 1, 2014. Buck will coordinate a renewal quote (current, $500M, $750m and $1M with no aggregating specific). Due for the June 2013 meeting.

**Transplants 2nd Opinion**
Transplant Navigator Program via AmeriBen with CorsiCare. Since the Plan already uses AmeriBen’s Compass Medical Management, there is no cost to plan if the transplant does not occur. In this program, the nurse travels with patient to Mayo for evaluation. Should the transplant take place, the Mayo clinic fee is $30k.

Dr. West asked about Centers of Excellence and it may well be they are nothing more than a group of peers has decided they are the premiere provider. Ben Wright from AmeriBen recommends Mayo at this time.

If we want to adopt this type of program, we need to put this in our Plan Documents and notify the stop loss vendor, and publish a Summary of Material Modification (SMM).

Mark Stegeman made a motion for the Plan to adopt a mandatory second
opinion program for transplant patients to be implemented as soon as practical and by June 1, 2014; and the program be optional for any members until then. Mark Mansfield seconded the motion; passed 4-0. Ben Wright added that most members welcome the opportunity for a world-class second opinion. AmeriBen can provide the guidelines.

Preliminary plan design review.
Review of last year plan changes were provided in Buck’s presentation. Current year estimated at about 11.4% better than below breakeven and a recommended a rate pass for the next plan year. For 2016, no changes; following years 6.6% and then a 14% increase.

In his March update to the Governing Board, Dr. West reported that the Trust anticipated no premium increase to the employees for next plan year. However, the trust board needs clarification on the amount of the medical costs per component (District, Trust, and Employee).

There are two beliefs regarding the Reserves: that they are held for employees, or that the trust assets are both employee/employer funds and that the Trust Board philosophically balance the need. While no decisions are needed at this meeting, the Board would like the CHRO’s input as to how she sees this, with the CFO, and our long term strategy to use going forward. The Board also asked Buck to come back to the next meeting with the excel modeling tool that can toggle various coverage changes impact (reference L Montoya excel file).

Buck provided preliminary annual costs to add Bariatric ($54k), Lap Band ($34k), and Shingles (about $6k to reduce to age 55). Buck needs to add in the costs to the Plan for complications for the first two procedures. Could research how to link this to a center of excellence. The Board asked Buck to request costs from BCBS, as more information would be needed.

Connected with a Wellness program, Buck noted that the first two (2) years may not show a return. An incentive program using the reserves to fund wellness participation was discussed. The Trust Board would like to see the costs of the wellness plan and the models. Human Resources is working with the Wellness Council of Arizona on wellness models for a future meeting.

Considerable discussion on how to be fair and perhaps factor in how to contribute to the cost of dependents, as we recognize this is a hardship on employees. Human Resources will poll the surrounding districts for dependent costs, and Buck/Robin will also research this.

Update on Trust Presentation to the Governing Board
Dr. West presented his report to the Governing Board on March 11th. There were no questions.

Trust Agreements Update – the attorney has indicated she will have the updates for us next week; we will put on the Governing Board agenda for April.

New Business
ACO Analysis
ACO – is just the physician and does not include surgical inpatient or outpatient; TMC costs are about $1m every six (6) months.
Dr. West said they do not have a big footprint so the ACO issue appears not to be feasible.

**Wells Fargo Investment**

Cliff Wadhams provided the overview.

List of investments by Wells Fargo at end of February:

- $1.2M has been invested
- Invested another $1.7m for a total of $2.9M invested.
- Total amount to ladder?
- $15m is at Wells Fargo; Yousef Awwad, Karla Soto, and Tom Hedges met last week regarding the next investment steps, interest rates, etc.
- So far 1.02% is the average rate of return in the Wells Fargo investments.
- We do not have all the numbers from the county yet.
- $12.7M at Pima County
  - $13M at WF / savings (.2%)
- Average membership: 4467

Bob Harbour sees five (5) years out on the financials; cannot go longer than five (5) years per statute.

The Board is firm in that it must have a comprehensive update on the investments from Wells Fargo at the April 28th meeting, with Karla Soto and Cliff Wadhams in attendance, and Wells Fargo will be invited as well. The Board will also need the opinion on investing in TUSD bonds at that meeting.

**Causes of Enrollment Reduction**

Human Resources will try to determine why there is a reduction of 800 members enrolled since the Plan started.

The next meeting is April 14th, at 5:30 pm.

Bob Harbour made a motion to adjourn the meeting; and Mark Stegeman seconded the motion; passed 4-0. Meeting adjourned at 8:15PM.

Approved this ___________ 14th ___________ day of ___________ April , 2014 ___________.

TUSD EMPLOYEE BENEFITS TRUST BOARD

By ________________________________

Dr. Neil R. West, EBT Board Chair