Employee Benefits Trust Meeting
Maroon Room, Morrow Education Center
1010 East Tenth Street
Tucson, Arizona 85719

April 18, 2016
5:40 p.m.

MINUTES

Committee Members Present
Dr. West
Anna Maiden
Mark Clark
Wilette Diggs (arrived at 5:45)

Committee Members Absent
Robert Harbour
Dr. Stegeman
Dr. Rodriguez

Others Present:
Renee LaChance – HR Director of Employment
Sheri Gilbert – Senior Account Executive, Valley Schools
Michelle Knudson – United Healthcare
Jamison Davis – Hays Company
Les Lauen – Record Keeper

MEETING CALLED TO ORDER
Dr. West called the meeting to order at 5:40 p.m.

QUORUM  - A quorum was not present when the meeting began.

INFORMATION / ACTION ITEM

CALL TO THE AUDIENCE
No one requested to speak.

Meeting Minutes
The minutes could not be approved at this point because a quorum was not present.

Old Business
Dr. West asked if there were any comments regarding the memo from Julie Tolleson, TUSD General Counsel, which addressed the construction of the Trust Agreement and the relationship between the Trust and the District’s Governing Board. Ms. Maiden said the memo was only informational. Dr. West said consideration of the information would be tabled for the May meeting.

New Business
OptumRx Pharmacy Recommendations
Dr. West introduced the topic of the Optum RX recommendations and called Bob Hull, Account Executive for OptumRx, to join the Board’s discussion by speaker phone.
Dr. West thanked Mr. Hull for the list of maintenance drugs and explained the Trust Board is interested in adding more maintenance drugs to the zero copay group.

Mr. Hull reviewed categories of maintenance drugs with reference to the list he had provided the Trust and explained that adding the drugs in question would cost an additional $320,000.00 in copays covered by the Trust. When Dr. West asked if there are duration requirements for maintenance drugs, Mr. Hull said there is no duration requirement.

Mark Clark asked about the difference between options 1 and 2 on the handout the Trust Board had received. Mr. Hull explained option 1 is what OptumRx currently defines as maintenance drugs, while option 2 is more expansive and is not recommended by OptumRx.

Sheri Gilbert reviewed some details about the current 2015-16 OptumRx program.

Dr. West asked Ms. Maiden and Renee LaChance if the EBT could encourage more employees to participate in the Wellness Incentive Program. Renee LaChance said the number of those participating should increase before the school year ends, since people are still completing the various aspects of the program.

Sheri Gilbert continued presenting recommendations related to expanding the range of zero co-pay maintenance drugs and also provided more details about the Real Appeal program.

**Valley Schools/Hays Renewal Recommendations Study/Action**

Jamison Davis gave details of possible plan design changes for next year included a handout to the EBT.

Dr. West asked how the changes would work and asked if the new design would keep the premium costs to employees steady but increase the subsidy by the EBT. Mr. Davis said the new design would work that way. Dr. West said such an approach would mean the EBT would need to periodically evaluate its reserves to make sure they remained adequate.

Mark Clark asked what would happen when the reserves are depleted. Ms. Maiden said the EBT would have to consider that aspect in the future but for now the premiums needed to remain very close to what they are because all the employee groups are in the middle of negotiations for next year.

Dr. West said the current subsidy design is not sustainable in the long term, but, in the meantime, the Board needs to make a recommendation for the coming year.

Jamison Davis recommended the Choice Plus Plan and the HDHP programs be aligned to comply with ACA requirements.

Dr. West said Bob Harbour is interested in getting more people to enroll in the HDHP, noting that many employers offer only high deductible plans. Jamison Davis said the out of pocket deductible maximum in the Choice Plus Plan will have to go up in order to get more people to change to the HDHP.
Ms. Maiden suggested the reserves should be maintained near the current levels while the District works to get more people to move to the HDHP.

Sheri Gilbert reviewed cost projections for the coming plan year.

Dr. West said without the premium holiday, the projected cost would be 1.1 million dollars, and he also noted his reservations about the premium holiday and asked the Board members for their evaluations of the premium holiday. The Trust Board members discussed the pros and cons of the premium holiday. Ms. Maiden said the premium holiday would confuse employees but they would be interested in free to lower cost prescriptions.

Sheri Gilbert said holding the premium rates steady is a very generous move on the part of the District.

Dr. West said it appears that the board members present do not prefer the premium holiday.

Dr. West asked if there was a motion to approve the 2016-17 plan as presented.

Dr. West asked if this recommendation can be presented to the Governing Board. Ms. Maiden said she would share the EBT decision with Dr. Sanchez the following day and arrange for it to be placed on the May or June Governing Board agenda.

Dr. West said the EBT will review the recommendations at the May 23 meeting, and he thanked Bob Hull for participating in the meeting.

Dr. West noted that since Wilette Diggs’ arrival, a quorum had been present and asked if there was a motion to approve the minutes.

Dr. West asked Ms. Maiden to send the Valley Schools information to the missing members of the EBT and asked if there was a motion to adjourn the meeting.
The next meeting will be May 23, 2016, at 5:30 p.m. in the Maroon Room at 1010 E. 10th Street.

There being no further business, the meeting was adjourned at 6:35 p.m.

Approved this __________________day of ____________.

TUSD EMPLOYEE BENEFITS TRUST BOARD

By________________________________________

Dr. Neil R. West, Chairperson