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

June 23, 2014  
5:30 p.m.  

MINUTES

Committee Members Present
Dr. Neil West  
Dr. Stegeman  

Committee Members Absent
Yousef Awwad  

Others Present:
Anna Maiden – Chief Human Resources Officer  
Janet Underwood – Recordkeeper  
Cliff Wadhams – Trust Accountant  
Dan Johnson – Executive Director, WELCOAZ  
Andrea Curless – Health Coach, WELCOAZ  
Debbie Hainke – Account Representative AmeriBen  
Mark Mansfield  
Robin Reeves – Director, Buck Consultants  
Julia Rudinsky – Pharmacy Practice, Buck Consultants  
Dustin Jones - Account Executive, Caremark  
Nathan Myrvold – New Account Executive, Caremark

MEETING CALLED TO ORDER
Meeting called to order at 5.30p.m.

CALL TO THE AUDIENCE
No one requested to speak.

QUORUM - A quorum is present.

INFORMATION / ACTION ITEMS

Several action items were pulled to the front of the meeting.

Stop Loss Renewal
The renewal from Symetra shows Individual Stop Loss with a 10% increase and Aggregate Stop Loss with a 15% increase if moving to the $750k level. Discussion was held on the Aggregating Spec versus Aggregate Stop Loss; claim examples would be beneficial. Dan Zentgraf of Buck was brought into the meeting via conference to clarify:

Specific – any claim over the Specific would be reimbursed  
Aggregate Spec – any specific plus an additional expense of $117 before reimbursement  
Aggregate Stop Loss– protects the Plan from going over a certain level of expense in total – across population, after reaching the 25% corridor (at about $36,031,000).

TUSD runs better than the average attachment point. Dr. Stegeman does not feel we have clear actuarial analysis on this item and made a motion to adopt Option 4, $750k w/o Aggregate Stop Loss and Mark Mansfield seconded the motion; passed 4-0.
Mark Mansfield also asked that we track the savings against the reserve to document why the Trust took this level of risk.

PCORI fee is approximately $11k ($2 PMPM) due to the Affordable Care Act (ACA). This will be paid from the Trust; Mark Mansfield made the motion to approve the expense; seconded by Dr. Stegeman; passed 4-0.

**HIPAA / office layout**
There is a proposal to remodel the benefits room to comply with HIPAA, the cost through Goodmans is $47,343.90  Mark Mansfield made the motion to approve, and Dr. Stegeman seconded. Motion passed 4-0.

Dr. Stegeman exited the meeting due to another commitment.

**Meeting Minutes**
Motion to approve the 4/28/14 minutes with corrections made by Bob Harbour, and seconded by Mark Mansfield; passed 3-0. A motion was to approve the minutes with correction was made by Mark Mansfield and seconded by Mark Stegeman; passed 4-0.

**Financials**
Cliff Wadhams presented the final April 2014 financials.
- Review of Revenue and Expenses
- Premiums of $2.4m (revenue); $94k Trust contribution; net of $ 2.3M to Trust
- Medical costs were $1.3M; Rx was $503k; Administrative costs of $224k
- Gross expenses of $2.2M; rebates of $740k in prescription
- Resulting in excess revenue of $327k over expenses
- Investments grew from $2.9M to $5.4M
  - Investment portfolio provided to Board Members.
  - WF is continuing on the ladder described in prior meeting.
- The money is collected from employees but the summer month payments will come from the District over summer.

Dr. West stated the average revenue over cost is about $76 PMPM, which is why we are continuing to grow in this area.

Cliff will send the May financials before the holiday.

**Appeals and Subrogation – Debbie Hainke**
There are no new appeals or subrogation cases.

Debbie Hainke reported on the Plan’s large claims in the Active and COBRA groups; these are claims that total $50k or more. Expects heart failure and breast cancers to continue to grow. Transplants – one has been done and there are 4 more potential. At this time, transplants 2nd opinion is on a voluntary basis; paid YTD on all is about $4.2M.

**Caremark Update – Dustin Jones**
Dustin has accepted a new position and Nathan will be taking over; Nathan is a TUSD HS grad and has worked at TUSD during college.

Dustin reported that there was a $12k payment that was owed and paid; Cliff will check
Dustin described the Evidence Based Plan Design (EBPD) for the PPO; this is the zero copays for certain maintenance drugs in specific therapeutic classes. A list of the medications will be finalized as a custom list of generics. Mark Mansfield recommends that we publish the list once per year at Open Enrollment.

The cost impact to the Plan is estimated to be $185k for a generic-only EBPD; $456k if did both generic and brand. The intended member impact is to increase adherence in sub-optimal members.

Caremark will provide the proper list of medications; we may need to go with a January start date. Mark Mansfield made a motion to implement the generic list for certain therapeutic classes; additional cost to the Plan of $185k (once list obtained and effective 9/1 if possible; seconded by Bob Harbour; the motion passed 3-0.

- Another program, “Mandatory Choice” will be reviewed at a future meeting.

Dr. West asked if sub-optimal members can be mapped to the PCP; Caremark does coordinate care with phys but they do not do Academic Detailing. Would be helpful to find certain groups of Dr taking care of the larger group of patients but Caremark does not have this kind of program. Debbie Hainke from AmeriBen shows that their Disease Management program is contacting the physicians. Dr. West asked that Caremark and AmeriBen work more closely on this to impact compliance.

Dustin said they do have a program for physician follow-up but it has cost to it. Dustin also recommended Pharmacy Advisor Support be reviewed as it was not activated during implementation (if member does not fill the medication, and additional message is sent). TUSD / Janet Underwood to authorize this program right away; Gaps in Care letter is part of this program.

**Wellness Program – Dan Johnson**

The program contains a variety of activities and it is felt that that there must be three (3) required activities - Physical, Lab Work, and Health Risk Appraisal (HRA). Optional activities are available; the requirement is to complete two (2) of those.

- Rolling qualifying.
- First 2-3 years can be participation; this sets the groundwork of getting members used to adhering to the routine of an annual physical, getting labs, etc. After that, may need to introduce meeting national standards of glucose, BMI, etc. (TEP does this).
- Dr. West wants employees to be more physically active.
- We really want employees to “Know Their Numbers.”
- The HRA will provide the data needed for better campaigns and outreach by WELCOAZ.
- Dr. West recommends we invest in this program and track the outcomes.
- The incentive (rebate) is a separate budget from the Wellness Budget. The program w/b rolled out for 9/1.
- Delivery and coaches in field
- Ramp up communication (i.e. TUSD FaceBook, print materials, more resources for campaigns
- Data feed of HRA to WELCOAZ.
- Could go up to 80-120 hours / week with Coaches.
- Will take 24-36 months to show cost outcomes.

Dr. West asked the Trust Board for their thoughts; Mark Mansfield is willing to try this program, and so is Bob Harbour. Mark Mansfield made a motion to invest the $150k additional funding and Bob Harbour seconded it. The motion passed 3-0.

**New Business**

Role of Trust Board and Scope of Coverage – there has been past discussion on adding other benefit products under the Trust’s purview (i.e. EAP, Dental, Vision, Life, Voluntary programs). We must include in the Trust Agreement whatever is decided.

Dr. West is concerned that the Trust Board is too involved in the plan design rather than the Fiduciary role, however it was recognized that there is a fiduciary role in understanding the impact of plan design. The Board would assign tasks with expected reporting back from TUSD HR.

For the next meeting; Janet will send the options for RFPs/new plans to the Trust Board (i.e. stay self-insured, use a bundled plan, unbundled plan, pooled arrangement, exchanges).

The next meeting is August 25th, at 5:30 pm. Meeting adjourned at 7:35pm.

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Approved this 25th day of August, 2014.

TUSD EMPLOYEE BENEFITS TRUST BOARD

By

Dr. Neil R. West, Chairperson