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

August 21, 2012  
5:00 p.m.  

MINUTES

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

Committee Members Absent:

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

MEETING CALLED TO ORDER  
Meeting called to order at 5:05 p.m.

CALL TO THE AUDIENCE  
No one requested to speak

QUORUM - The Board affirmed that a quorum was present

INFORMATION / ACTION ITEMS

Review Minutes – Motion to approve by MM and seconded by Dr. Stegeman; motion carried 4-0

Old Business

Update on PBM RFP  
Buck reported that the evaluation was completed and has gone through  
Governing Board approval; 10% savings annually, as compared from 2011 to 2010; the award was made to Caremark. Dr. West requested as to what conversations have been made then with drill down info from the new vendor. Louie reported that we will have the capability to access the info from their system. Also, we will look at 340B options as it relates to specialty medications. The Board would like to send a thank you note to the evaluation committee. Dr. West will draft a note for Ms. Underwood to send.
Financial Review
Long Term Liability has not changed; there is a $23m equity bottom line and
due to the lack of payments due to the summer months at this time; still a
healthy balance. Lines have been added the Board requested with regard
to salary.

Mark Mansfield asked if the statement could provide a side by side
comparison and we think that is possible.

Dr. West added that he has performed an analysis of the claims data costs -
$194-195 per pay period and provided a handout. Sorted by plan type,
medical/rx, and COB claims and COB Rx. His goal was to see if the
reporting system is behaving in a normal fashion and yes it is, over time.
You can then look to see if a provider is “jumping out.” Page 3 shows that
claims are under within a STD deviation of 2. There is a difference in the
claims for Jan 2012 where there seems to be a change; all data points are
below the mean which from a statistical point of view may indicate a new
process. Secondly, pharmacy costs is about a 9.7% increase in Rx claims
between July 2011 and Dec 2011 compared to Jan-June 2012; this lends
support as to why we need to be able to get into the details of Rx.

There are some areas we need to review such as oncology infused drugs.
There are a fair number of ESRD claims and these patients are eligible for
Medicare after 36 months. Debbie Hainke reported that they do watch
ESRD and the dates are monitored for when the Medicare eligibility date is
reached, and the claims are transitioned. A person must be on Medicare B
also and Buck recommends that it is included in our TUSD Plan Documents.
In some cases, Buck has seen that the Trust would pay the Medicare Part B
cost on behalf of the employee. Mark Mansfield asked for an estimate for
the cost of this to the Trust. The process would be for AmeriBen to move
claims to Medicare if the employee has ESRD however, no employee has
yet reached the 36 month threshold however AmeriBen will review the data
back to the start date of the Self Funded plan of 10/1/2010.

Dr. West added then that the Trust financials are in good shape.
Mark Mansfield added that with their taking the additional risk with Stop Loss,
and wants to know if we should add a line item to the financials as an
identified Stop Loss reserve fund and to see what we are saving from the
higher risk level of $400,000. Yousef believes we can make this change in
the financial statement. Buck added that the IBNR reserve may serve this
also.

Subro and Appeal
Debbie Hainke reported that there are no new subrogation cases. We did
see an appeal related to a hospital stay; this appeal was denied at a past
meeting. The person is now appealing again through an attorney; there are
specifics that have now come through that were not available prior.
AmeriBen’s attorney is reviewing this appeal and we can hold a special
meeting in September to review the appeal; tentatively targeted for 9/4/12 at
4:00pm. Ms. Underwood will send out the meeting invite, with just this one
item on the agenda.

Mark Mansfield asked for an update on the last subro case and if those
benefits were suspended; DH reported that they were. We will look at
updated the Plan Doc language on subrogation.

**New Business**

*Wells Fargo H.S.A. Fee*

The Trust was updated on the fee to employees for the HDP H.S.A. A discussion was held on the structure of the fee and it is felt that we can negotiate this fee down in the future, as well as looking at moving the Trust balance to Wells Fargo. It was noted that the District currently uses Wells Fargo as it banking institution in general. Mark Mansfield made a motion that the District negotiate with Wells Fargo on a reduced H.S.A. fee. Bob Harbour seconded the discussion. Buck will provide Yousef Awwad with statistics and talking points. The motion carried 4-0. This will be addressed at a future meeting.

*AmeriBen Conference*

AmeriBen would like to provide the Trust with the opportunity to attend the annual conference. It would need to be paid by the Trust. The cost is $595 plus travel for three (3) days (Sept 25-28). It is suggested that one board member and the benefits manager attend. Yousef Awwad made a motion that the Trust be authorized to pay the registration/hotel/travel for one board member and Janet Underwood to attend the conference. Bob Harbour seconded; the motion carried 4-0.

*AmeriBen Coordination of Benefits Service*

AmeriBen can provide an annual COB notice and capture this important information which is used to ensure the Plan does not pay for claims that should be primary at another carrier. Claims can be pended until the person has complied. AmeriBen can also take the information over the phone if the Trust dictated or make the form available on the AmeriBen website. It is noted that if we move forward this language will need to added to the 2012 Plan document. Maintenance of benefits was introduced but we will stay with COB.

A motion was made by Mark Mansfield that COB language be added to the Plan document if required and that AmeriBen send the notice to all covered employees (January 2013), that AmeriBen pend the first claim if the form has not been received and that AmeriBen provide the form online also. Yousef Awwad seconded the motion; carried 4-0.

*Claims/Administration Review*

Dr. West introduced the topic of Accountable Care Organizations (ACO). There are opportunities for collaboration of hospital, specialty care, etc. to be in one group and a Plan can negotiate network savings. The EPO plan has spend millions on its costs and there is and ACO that has been formed in Tucson with TMC and perhaps others. Dr. West would like to learn more about how they have this structured and meet with the TMC to understand who is in the group. We could bump this up against our providers and what the aggregate dollars are. In an ACO, a shared savings is negotiated. Mark Mansfield asked what this would do with our BCBS arrangement. Bob Harbour also asked since BCBS has negotiated prices with providers.

Yousef Awwad to review fee negotiation with Wells Fargo.
Yousef is interested but wondered how to negotiate these savings with BCBS and is not sure we can pursue others. Dr. West added that these are generally hospital based as they are the larger entity who can do so; there may be about 170 providers involved. Dr. West is requesting if its permissible to the Trust Board to go on a fact-finding mission. Bob Harbour felt there may be some efficiency sharing. Mark Mansfield added that we need to be sure as a public entity we do not engage in any bidding. Yousef agreed and overall there is interest to learn more and can Buck bring more information to the Trust Board, and perhaps use with BCBS. Buck reported that most entities are working now or trying to work with an ACO. In a sense there is cherry picking of the networks but there are metrics available and they can report back to us. No matter what we use or don't use from the BCBS network, we pay BCBS the same fee regardless. Dr. West has asked also if Janet or Louie would come to the meeting that he wants to attend. Yousef would like to attend, and Louie has committed to attend also. If we had the ACO members' tax ID numbers, we can compare it against the AmeriBen system. By November, the health care exchange should be up as well.

On the horizon, healthcare reform items that will affect the Plan are the Comparative Effectiveness Tax. We will review more healthcare reform items probably in January 2013.

**Exploration of Expanded Wellness Program for SY13-14**
Dr. West reported that more information will be gathered from WELCO regarding wellness incentives and fitness centers (with similar reporting as Silver Sneakers).

**Open Enrollment Communication Materials Cost**
Approximately $10k of printing costs was expended for Open Enrollment. Yousef Awwad made a motion to pay for the Open Enrollment communication materials from the Trust and Bob Harbour seconded the motion; motion carried 4-0. A summary to pay from the Trust will be presented for payment.

The next regular meeting will be October 16, 2012 at 5:30pm. We tentatively looked at December 4, 2012 at 5:30pm also.

The meeting adjourned at 6:55pm.

Approved this 16th day of October 2012.

TUSD EMPLOYEE BENEFITS TRUST BOARD

By

Dr. Neil R. West, EBT Board Chair

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