September 30, 2013
5:30 p.m.

MINUTES

Committee Members Present:  Committee Members Absent:
Dr. Neil West  Yousef Awwad
Dr. Stegeman (phone)
Mark Mansfield
Robert Harbour

Others Present:
Pamela Palmo – Executive Director of Human Resources, Interim
Louis Montoya – Buck Consultants (phone)
Debbie Hainke - AmeriBen
Janet Underwood – Recordkeeper
Barbara Armstrong, Finance Benefits Associate
Cliff Wadhams – Trust Accountant

MEETING CALLED TO ORDER
Meeting called to order at 5:30 p.m.

CALL TO THE AUDIENCE
No one requested to speak.

QUORUM
A quorum is present.

INFORMATION / ACTION ITEMS

Minutes
6/24 minutes – it was noted that page 4 date must be corrected to 5/31/13. Motion to approve by Mark Mansfield; seconded by Dr. Stegeman. Motion passed 3-0.

7/22 minutes – Mark Mansfield was charged with chairing the meeting so he will approve the minutes. Dr. West made a motion for the approval; seconded by Bob Harbour; passed 4-0.

Financials
Cliff Wadhams presented the June- July 2013 financials.

June - IBNR adjustment was made – a non-cash item adjustment to the actuary study for future claims - adjusted down by 1.6m dollars result in $3.2M for IBNR.
Statement of Revenue and Expense then shows the negative $1.6m for reduced
Excess revenue of $50k not including IBNR. Dr. West noted there was adverse deviation; stabilization and $500,000 to a wellness reserve. These will be put into the investment account. Equity balance of $12,103M after reserves and IBNR adjustment. Bob Harbour noted the YTD basis shows decreased medical claims from prior year, coupled with IBNR results in substantial net earnings. Revenue/premiums collected is down about $350k from prior year – can we show # of participants from year/year comparison. The board would like also to look at claims on a PMPM basis.

For July, $2.3 M in premiums for the month, about $50k less than prior month. We had not received the interest number from the County so could not include it. Medical $2.03M for July and Rx $640K (Cliff to verify Rx number). Medical increased by $400k; $130k Rx rebate was received. Dr. West asked for confirmation of YTD medical claims which show down $1.8m for the year; that is correct. Rx is up by $600K and rebates were $837k. The group discussed the drop in medical claims and if we are making any inaccurate projections as it relates to the premiums. We will need Buck and AmeriBen to help us drill down in to the medical utilization and to help us understand why our claims are about 10% under what was anticipated. The Board requested that Buck/Lou/Janet/Barb review and report at the next meeting to determine if the premiums are set too high and the resulting premium strategy that would be needed. While it is good to have a positive balance the new year can reviewed for premium adjustment. Cliff also noted the IBNR Adj is a reflection of what is happening in claims.

**Subrogation**
As a result of information received at the AmeriBen conference, Dr. West reported a recent Supreme Ct ruling that allows Arizona to use the current subrogation method as long as its in our Plan Document. As it relates to the case we put on hold, and claims payment being pended only related to the accident, Debbie Hainke will get an update for the next meeting. We will get the update from Tim Callendar and can also discuss with the SRP person who was at the conference.

**Rx Plan Update**
Louis Montoya joined the meeting by phone. Dr. West noted several concerns to be reviewed.

Percent of Rx costs requires Buck’s review. He also sees “fluff” in the oncology and radiation oncology and we need to determine a way to address that; TUSD must be able to get answers to how to address this; it is not the role of the Board to do this. Claims YTD are 10% under from the projection. Lou says that he looked t the period of Rx and the spend would be $5.4m and looked at the spend of $4.9 through July; we’d be right at $5.4m for the shortened policy period; net out the Rx rebates. Lou noted that a reduction in claims was not expected and to-date a longer period rate of data is needed to review for cause and effect. Lou noted it’s a positive direction the way we are going. Dr. West shows n the medical claims side that we are being overcharge for infused meds. A drill down to the J codes is needed, see what is dispensed vs. utilized; Buck has to defer to Debbie Hainke to see if we have enough info for that. It is noted that if med fluff is occurring, why are medical claims down) We may need to review what the expectations should be and may have to narrow the network for infused drugs for more efficient providers. This will be on a future agenda.
**Investments Transfer Update**
Dr. West updated the group that per Yousef, Wells Fargo had to get papers signed by Governing Board and is in the process of moving monies; the July stmt still then shows those monies in the County account.

**Open Enrollment Update**
Janet Underwood reported the success of TUSD’s first online Open Enrollment for TUSD employees using both intranet and internet. TUSD Benefits also held 17 education sessions at large high schools; employee feedback was positive and affirmed the content of the education met its mark; overall, there was over a 500% increase in HDHP enrollment. Ms. Underwood noted that in all cases the attendance to capacity ratio was less than 10%. The Benefits office also hosted six (6) computer lab sessions at the Central office and at LIRC, where employees received one-on-one assistance with benefits enrollment. It is noted that we need a better way to get employees engaged and exposed to the information.

Mark Mansfield also TEP is looking for a partner in the Doc in a Box that goes along with TUSD’s suggestion of a Clinic. TEP HR can come in and talk to us. Could visit them and MM will recuse himself Dr. West asked Pam Palmo who will be the contact for this. Initially it will be Pam (via Janet) and then with Janet/Barb.

**AmeriBen Conference Update**
- Dr. West reported these AmeriBen updates from the AmeriBen conference:
  - Ben Wright is named President of AmeriBen
  - AmeriBen inflation rate about 3.3% for their BOB compared to 12% for other BOB’s.
  - Is now covering g Home Depot in Georgia and new prospects on the East Coast.
  - BCBS wants to decrease who they partner with as far as number of TPA’s.
  - Aetna’s TPA attended the conference.
  - Walgreens is moving 170k employees to a private exchange. A private exchange does not have any subsidy/tax credit. A private exchange may be offering 3 or more carriers with 3 to 5 plans each and therefore the employee has more choice. All in all, Dr. West thought it was a very interesting meeting and encourages Bob H to attend next year; it was rewarding to speak to the number of organizations there.
  - Janet provided a handout of ACA impact topics effect on TUSD, and Barb Armstrong noted that the use of on-site clinics is an option for TUSD.

**New Business**
Billing Authorization to Trust – due to occurrences of having to pay for offset some costs to sites for holding Open Enrollment meetings there. Bob Harbour made a motion to charge the Trust for the large Individual Mandate mailing; seconded by Mark Mansfield and the motion passed 4-0. Fixed cost through out the year may occur and the Trust can assign an amount; the t actual cost of the mailing including postage will be provided.

**Planning RFP Timeline**
Several of the District’s benefits contract s expire in 2015; due to the amount of resources needed for the process and implementation, it was determined that TUSD
will go out to bid in 2014 for dental, vision and EAP.

Mark Mansfield made a motion to adjourn the meeting; seconded by Bob Harbour; passed 4-0 and the meeting adjourned at 7:05pm

Approved this ________ day of ________, 2013.

TUSD EMPLOYEE BENEFITS TRUST BOARD

By ____________________________

Dr. Neil R. West, EBT Board Chair