Committee Members Present
Robert Harbour - Chair
Eric Rustand – Member
Dr. Marlene Rodriguez - Member
Wilette Diggs – Member
Mark Mansfield – Member
Mark Clark – Member

Others Present
Renee LaChance – Director of Employment
Martin Godfrey – Senior Coordinator (Benefits)
Christina Cruz
Renee Weatherless
Jamison Davis – Hays Companies

Robert Garcia – UHC
Michelle Knudson – UHC
Tom Elliott – Valley Schools
Sheri Gilbert – Valley Schools
Robert Hull – OptumRx (via phone)

Meeting Called to Order
Mr. Harbour called the meeting to order at 5:33 p.m.

Quorum
A quorum was present.

Information / Action Item

<table>
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<th>Call to the Audience</th>
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<td>No one requested to speak.</td>
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<th>Meeting Minutes</th>
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<td>Mr. Harbour asked the Board members to review the September 18th minutes. The minutes were not approved at this time. The minutes need to be updated to reflect that the interest from OptumRx will be recognized through the year 2020 and not 2021 as currently reflected in the minutes.</td>
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OLD BUSINESS

UHC Contract

Ms. Knudson with UHC provided to the Board that the UHC contract has been finalized.

Optum Rx Proposal/ Valley Schools Analysis

Ms. Gilbert with Valley Schools provided to the Board that they could find no reason to vote against the OptumRx proposal to repay interest on the outstanding rebates.

Stop Loss Renewal/Hays Analysis

Mr. Davis with Hays Companies presented his analysis of potential stop loss amounts to be considered for future renewals. He pointed out that a claim in the amount of 1.3 million (which occurred on the plan) is not a normal amount that a plan sees very often.

Mr. Mansfield asked Mr. Davis what his recommendation would be for a stop loss limit. Mr. Davis indicated that when a plan has significant reserves, a larger stop loss amount (threshold) is advisable.

Mr. Rust asked, per actuarial tables how often do high cost claims occur. Mr. Davis indicated that actuarially once every 7 years a plan will see a significant claim.

NEW BUSINESS

2018 Formulary Changes Overview

Mr. Hull with OptumRx discussed that certain Diabetes supplies and MS drugs would no longer be classified as preventative by OptumRx as of 1/1/18, which would increase the cost of the supplies/drugs to employees. He indicated that these supplies/drugs are not designed to prevent these diseases but to maintain/treat them.

Continue Coverage of Diabetic Supplies at zero Copay

Per the review of the OptumRx formulary changes, Dr. Rodriguez pointed out that Diabetic supplies are not very costly. She also pointed out that if the plan doesn’t provide supplies such as test strips, employees won’t test, and it could cause greater complications in the future.

Mr. Rust advised that since TUSD is a self-funded plan, we have the ability/right to make changes to the pharmacy offering. Mr. Hull confirmed that we would not be in any violation if we maintained these drugs/supplies as preventative.

Mr. Rust requested that Bob provide some insight into the costs associated with keeping these drugs/supplies at a $0 cost and remain preventative.
Mr. Hull provided that the cost of keeping these drugs would cost the district $16,812 for 131 members and $5,086 on supplies for 85 members.

Mr. Clark also inquired to see how many Multiple Sclerosis (MS) patients we had on the plan. Mr. Hull provided that we currently have 9 and that most of them are on tier 2 medications.

After this discussion, the board approved to include MS drugs and diabetic supplies to the 2018 Preventative Drug list, thus keeping the cost the same for employees even though OptumRx will no longer classify them as preventative.

Mr. Rustand indicated that we will need to provide documentation to members regarding the change.

**Settlement Proposal**

Ms. LaChance with Tucson Unified presented to the Board a settlement proposal for a subrogation case for an incident that took place in June of 2015. The Board agree to reduce the lien to $25,000 per the settlement proposal.

**El Rio Partnership**

Ms. Gilbert with Valley Schools started this discussion by indicating that El Rio is currently in network with UHC.

Ms. Knudson indicated that she has never seen a direct contract with a provider when that provider is already in network.

Mr. Rustand indicated that he is aware of other organizations in discussions with El Rio for direct contracts in which costs are reduced.

The Board is considering putting together a committee to explore a direct contract with El Rio.

Mr. Mansfield asked that UHC bring more information about a potential direct contract to the next meeting.

**Valley Schools Experience Reports**

Ms. Gilbert reviewed the experience reports with the Board.

**July & August Financials- Review and Approval**

Ms. Cruz with TUSD presented the July and August financials.

Mr. Harbour asked how often the premiums come into the Trust. Ms. Cruz indicated it goes into the Trust monthly.
Ms. Cruz indicated that a rebate payment was received from OptumRx and another will be sent in November.

Mr. Rustand was curious about why there was a discrepancy between the Valley Schools experience reports and the financials. It was pointed out that the financials incorporate additional data, accounting for the difference.

**Strategic Planning**

**Employee Survey**

Mr. Godfrey with TUSD proposed a few survey questions that would be sent to the District. This survey would be sent to the District to get feedback on the Medical Benefits offerings.

Mr. Rustand suggested that we ask questions around registration with UHC, Real Appeal participation and rephrasing questions around overall satisfaction of UHC.

**Benchmarking of other Districts**

Mr. Godfrey provided to the Board a breakdown of the types of plans, costs and H.S.A contributions that other School Districts provide to its employees.

Mr. Godfrey will be emailing this to the Board with the inclusion of a few more School Districts including Catalina Foothills.

**Financial Analysis & Projected Healthcare Cost for next 3 years**

Mr. Elliott with Valley Schools presented a financial analysis and projected Health Care costs. He indicated that in 2025 it is expected that reserves would fall below 25%

Mr. Harbour requested that in a future analysis investment earnings be taken into account.

Mr. Rustand pointed out that the analysis assumes no changes will take place with plan designs or other variables. Mr. Elliott pointed out that his analysis was a simplified analysis.

Mr. Harbour asked Ms. Weatherless with TUSD if the District would be able to increase its contribution to medical premiums. Ms. Weatherless indicated that it would be very unlikely.

Mr. Harbour indicated that he would like the Board to elect a new Chair in the December meeting.
**NEXT EBT MEETING DATE**

The EBT set the upcoming meeting date to December 4th (from December 11th) 2017 and also agreed upon the January date of January 22nd.

Mr. Harbour asked if there was a motion to adjourn the meeting.

The meeting was adjourned at 8:01 p.m.

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*Dr. Rodriguez made the motion to adjourn. Mr. Rustand seconded the motion. Motion passed 5-0.*

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Approved this ________________ day of ________________________________.

TUSD EMPLOYEE BENEFITS TRUST BOARD

By ______________________________________

Robert Harbour, Chairperson