

Self-Insured Healthcare Trust Board

Goodyear City Hall, Room 117
190 North Litchfield Road
Goodyear, AZ 85338



Thursday, March 4, 2021

3:00 p.m.

Meeting Minutes

CALL TO ORDER

ROLL CALL

Present: Board Member Wade Foster; Board Member Michael Balsan; Board Member Jennifer Preyer-Bonton; Ex-Officio Doug Sandstrom

Absent: Board Member Richard Newcomer

Staff Human Resources Director Lyman Locket; Total Compensation & HRIS Manager Jeanni

Present: Ruddy; Benefits Analyst Chanda Washington

Attendees: Rick Shuckerow, GBS Consultant, Samuel Gish, GBS Benefits Consultant, Erica Emmons, Cigna Strategic Account Executive

PUBLIC COMMENTS

Before you begin to speak, identify yourself by clearly stating for the record, your name and address. This is the time for citizens who would like to address the Board on any non-agenda item within the jurisdiction of the Board. The Board will listen to comments, and may take any one of the following:

- Respond to criticism.
- Request that staff investigate and report on the matter.
- Request that the matter be scheduled on a future agenda.

There were no citizen comments

OLD BUSINESS

None.

NEW BUSINESS

1. Approve minutes- Approve draft minutes of the Self-Insured Healthcare Trust board meeting held on January 28, 2021.

MOTION BY Chairman Balsan, SECONDED BY Board member Foster, to APPROVE the draft minutes of the Self-Insured Healthcare Trust Board meeting held on January 28, 2021. The motion carried by the following vote:

AYE: Board Member Wade Foster, Board Member Michael Balsan, Board Member Jennifer Preyer-Bonton, Ex-Officio Doug Sandstrom

Other: Board Member Richard Newcomer (Excused)

Passed - Unanimously

2. FY21 Claims Experience

Rick Shuckerow provided the summary of claims experience. The loss ratio is 86%. There was a discussion of shock claimants and pharmacy claims, which increased 28% in the last 12 months- the estimated surplus is \$777K. Rick also presented a summary of the plan year claims by quarter, showing consistency across the quarters. There was an overview of the loss ratios broken out by the plans, with the PPO plan at 84%, HMO plan at 80% and the HSA plan running at 103% loss ratio.

Samuel Gish discussed plan premium costs, clarifying that the HSA plan loss ratio is due to large claimants on the plan. The analysis showed that the spread between the plans is average. Although the HSA plan loss ratio is high, it is still less than the expected 30% spread compared to the other two plans.

Rick talked about pharmacy and the cost-benefit of generic prescriptions over the highest-cost prescription specialty drugs. There was a discussion of large claimants. Sixty-two members met the \$25K plus threshold, which is a 9% increase. In the last twelve months, shock claimants accounted for 64.98% of gross claims. There was additional discussion on top diagnosis, prescription drugs and conditions.

3. Medical and Dental PPO Plan Changes

Erica Emmons discussed the dental plan changes developed from the benefit survey completed by employees. Other changes to the medical plan identified from the benefits survey include support for infertility coverage. Erica discussed two levels of coverage. The team will look into option one for infertility coverage.

Erica addressed changes to the pharmacy benefit for specialty drugs, which is a driver of the costs on the plan. Changes include limiting refill to 30 days at a time for specialty drugs and filling at Accredo specialty pharmacy, out of pocket adjuster program and dispense as written.

4. Setting of FY22 Healthcare Premiums

MOTION BY Chairman Balsan, SECONDED BY Boardmember Foster for a 3% plan increase.

AYE: Board Member Wade Foster, Board Member Michael Balsan, Board Member Jennifer Preyer-Bonton, Ex-Officio Doug Sandstrom

Other: Board Member Richard Newcomer (Excused)

Passed - Unanimously

Board member Sandstrom reviewed the spreadsheet covering the city's expense versus past projections and five-year forecasts. Projections include 7% growth assuming participation continues at the historical rates. The medical forecast is 10% and the dental forecast is 2% for the next five years. The city will maintain reserve requirements of the IBNR and two months of claims for the five-year forecast. A 3% increase will ensure reserve requirements are maintained and cash on hand to support uncertainty for the next five years. Without the increase now, in FY 2024 and FY 2026, there may be a need for additional adjustments. The city has not had a rate increase in four years and there is the option for rate holidays if revenues continue to exceed costs. Jeanni added that a 3% increase would be between \$.62 and \$5.77 cost for employees.

5. Setting of FY22 Dental PPO Premiums

MOTION BY Chairman Balsan, SECONDED BY Board member Foster to keep dental premiums the same.

AYE: Board Member Wade Foster, Board Member Michael Balsan, Board Member Jennifer Preyer-Bonton, Ex-Officio Doug Sandstrom

Other: Board Member Richard Newcomer (Excused)

Passed - Unanimously

Board member Sandstrom mentioned at this time a 0% increase in Dental was being recommended.

INFORMATION ITEMS

Comments, Commendations, Report on Current Events and Presentations by Board, Commission or Committee Members, staff or members of the public. The members may not propose, discuss, deliberate or take any legal action on the information presented pursuant to A.R.S. § 38-431.02.

None.

NEXT MEETING

Jeanni will schedule the next meeting for the end of July to look over changes.

ADJOURNMENT

There being no further business to discuss, Chairman Balsan adjourned the meeting at 3:49 p.m.

Respectfully Submitted by:

Lyman Lockett, Human Resources Director

Michael Balsan, Chairman

Date: _____