

Self-Insured Healthcare Trust Board

Goodyear City Hall - Lucero Conference Room (2nd Floor)
1900 N. Civic Square
Goodyear, AZ 85395



Thursday, December 8, 2022

2:30 p.m.

Meeting Minutes

CALL TO ORDER

ROLL CALL

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

Absent: Board Member Richard Newcomer

Staff Present: Human Resources Director Lyman Locket; Benefits Analyst Chanda Washington; HR Analyst Kristin Zipprich

Attendees: Rick Shuckerow, GBS Consultant; Sam Gish, GBS Consultant; Shelli Maggio, GBS Consultant; Krystle Edmonds, Cigna 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.

BUSINESS

1. APPROVE MINUTES

MOTION BY Board Chairman Michael Balsan, **SECONDED BY** Vice Chair Wade Foster to APPROVE the draft minutes of the Self-Insured Healthcare Trust Board meeting held on August 25, 2022. The motion carried by the following vote:

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

Passed - Unanimously

2. FY Claims Experience

Sam Gish discussed the executive summary details of the claims experience for July 2022 through September 2022. He discussed the trend over the last few months. Medical and prescription claims are up about 50%. The loss ratio for the current plan year is estimated at 99% through September 2022, this is in part due to shock claimants which are up 42%. Comparing the same period last year, the loss ratio was 69% . Plan expenses per member per month have increased due to an addition of 57 subscribers and a total of 162 members. Sam reviewed the experience by plan and shared that the PPO plan is at 126% and all plans are running smoothly. There was discussion of pharmacy claims highlighting 22.1% of prescriptions are brand name and 77.9% of the prescriptions are generic. There was discussion on whether the 78% of generic prescriptions included prescriptions from the city's clinic. Board member Sandstrom questioned whether the generic prescription data included the information from the city clinic. Lyman advised the city clinic did not include the prescription data, but that he would find out when the zero claims started so Sam could research the impact it could have on the numbers. The top prescription drugs and top injectables were discussed. There was discussion of a brand name prescription diabetes medication in which the number of prescriptions increased by 24. Board members discussed alternative uses of this drug as potential reasons for the increase. There was discussion on shock claimants. 69 members accounted for 60% of the total gross claims in the last 12 months which is higher than it was previously. The board discussed the top shock claimants highlighting that shock claimants costs are up 1.55M which is \$139 per employee per month, a 26.4% increase. Sam discussed the IBNR.

3. Financial Overview

Jared Askelson discussed the trust fund statement for November 30, 2022. He provided the trust board with the change in net assets noting a \$1.3M decline as the result of four record months of claims. This number is as of the end of November paid by the city, it exceeds the trend by \$277K. The Trust Fund had \$7.1M net assets at the end of the period and with \$633K IBNR to maintain a total balance of \$7.8M. Jared reminded the trust board that revenues continue to grow with additional employees. The board members discussed the restricted reserves and its components. Jared provided options for the board to consider at a later date including premium subsidies and premium holidays.

4. Cigna Plan Utilization Review

Krystle Edmonds discussed Cigna's report which reflects claims incurred between October 2021 and September 2022 and paid through October 2022. All reports are on an incurred basis. Krystle highlighted that year over year trend noting total plan spend at 19.1% due to increase in average number of employees, a 12.8% variance from the norm. This mirrors the trends discussed by Sam and Jared. She highlighted a 10% growth in employees and trends for the medical and pharmacy spends. She also noted the 84.5% trend of catastrophic claimants. She reviewed the top catastrophic spend noting the average spend for catastrophic claimants increased 29% to \$208K from \$161K. She highlighted the generic prescription utilization rate at 91% adding anything over 90% is ideal. Krystle mentioned the Price Assure program powered by GoodRx that will get lower medication costs for members. The board discussed the initiatives impact on rebates.

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.

NEXT MEETING

The next meeting will be set for mid-February/first March to ensure the data availability and better line of sight. The next meeting will include discussion on rates and potential premium subsidy or holiday.

ADJOURNMENT

There being no further business to discuss, Chairman Balsan adjourned the meeting at 3:28 p.m.

Respectfully Submitted by:

Lyman Locket, Human Resources Director

Michael Balsan, Board Chairman

Date: _____