

Self-Insured Healthcare Trust Board

Goodyear City Hall - La Jolla Conference Room 2nd Floor
1900 N. Civic Square
Goodyear, AZ 85395

**Tuesday, March 5, 2024****1:00 p.m.****Meeting Agenda**

AMENDED to add additional language to all agenda items

CALL TO ORDER**ROLL CALL****BUSINESS****1. APPROVE MINUTES**

Approve draft minutes from the Self-Insured Healthcare Trust Board meeting October 31, 2023

2. Review, discuss and take possible action on financials.

3. Review, discuss and take possible action on renewals.

4. Review, discuss and take possible action on setting rates for FY Plan Year for Medical and PPO Dental Plans.

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

Review the date, time and location of the next meeting, if applicable.

ADJOURNMENT

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Board and to the general public that the Board will hold a meeting open to the public. Public body members of the city of Goodyear will attend either in person or by telephone conference call and/or video communication.

THE CITY OF GOODYEAR ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. With 48-hour advance notice, special assistance can be provided for sight and/or hearing-impaired persons at this meeting. Reasonable accommodations will be made upon request for persons with disabilities or non-English speaking residents. Please call the City Clerk (623) 882-7830 or Arizona Relay (TDD) 7-1-1 to request an accommodation to participate in this public meeting.

LA CIUDAD DE GOODYEAR PROCURA HACER TODA JUNTA PUBLICA ACCESIBLE A PERSONAS CON DISCAPACIDADES. Con un aviso de 48 horas por adelantado se puede proveer asistencia especial a personas con discapacidades visuales o auditivas durante la junta. Se harán adaptaciones razonables con previa solicitud para personas con discapacidades o para residentes que no hablan inglés. Favor de llamar a la Secretaria Municipal al (623) 882-7830 o Retransmisión de Arizona (TDD) 7-1-1 para solicitar adaptaciones para participar en la junta pública.

POSTING VERIFICATION

This agenda was amended and posted on March 3, 2024 at 12:35p.m. by CW.

ITEM #: 1.
DATE: 03/05/2024



Self-Insured Healthcare Trust Board - Amended

SUBJECT
APPROVE MINUTES

Recommendation:

Approve draft minutes from the Self-Insured Healthcare Trust Board meeting October 31, 2023

Attachments

10.31.23 Meeting Minutes

Self-Insured Healthcare Trust Board

Goodyear City Hall - Lucero Conference Room
1900 N. Civic Square
Goodyear, AZ 85395



Tuesday, October 31, 2023

3:00 p.m.

Meeting Minutes

CALL TO ORDER

ROLL CALL

Present: Board Chairman Michael Balsan; Vice Chair Wade Foster; Board Member Richard Newcomer;
Ex-Officio Doug Sandstrom

Absent: Board Member Jennifer Preyer-Bonton

Staff Present: Human Resources Director Lyman Locket; Total Compensation & HRIS Manager Chi Herrington;
Benefits Analyst Chanda Washington

Attendees: Shelli Maggio, GBS Consultant; Samuel Gish, GBS Consultant; Krystle Edmonds, Cigna Account Executive

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 March 23, 2023. The motion carried by the following vote:

AYE: Board Chairman Michael Balsan, Vice Chair Wade Foster, Board Member Richard Newcomer,
Ex-Officio Doug Sandstrom

Passed - Unanimously

2. FY Claims Experience

Sam Gish discussed the claims data paid through September 2023. He mentioned that claims increased in August & September due to large claimants. Goodyear's trend shows the first quarter claims are usually higher than third and fourth quarters. There was 111% loss ratio which is the first time we have seen the ratio this high in a while. The pharmacy trend table was reviewed. Sam discussed diabetes has increased over the years and Krystle Edmonds from Cigna mentioned prior authorization is required for diabetic medication. Shelli Maggio advised that a lot of employers are looking at holistic approach for weight-loss medication to change behaviors. Lyman Locket asked about some weight-loss medications and asked if prior authorization was required if the person was diabetic. Krystle confirmed that weight-loss medication is not currently on the city medical plans and that prior authorization is required for those with a diabetic diagnosis. Lyman mentioned in February 2023, a self-insured health committee was established and they have been reviewing information on weight-loss medication and may make a recommendation in the future to the trust board.

Sam went over the cost of pharmacy on a rolling 12-month period. He explained that pharmacy has skyrocketed across the nation at 9% and Goodyear's current year to date is at 4% for pharmacy. The board reviewed large claimants and saw that 82 large claimants which is about 4% of the population accounted for 62% of gross claims. The top large claimants reviewed by dollar of claims paid. Board Chairman Michael Balsan asked if there are educational things that can be done to help employees know about the manufacturer discounts/rebates and Krystle explained that Cigna does let the member know about the discounts/rebates.

3. Financial Overview

Jared Askelson discussed the unaudited data as of June 30, 2023 and explained the trend is that uses are exceeding sources. The plan shows a decrease in net assets, but the plan is over the \$2.5M reserve requirement. The IBNR for 2023 is at \$600,000. He mentioned we will continue to monitor the balances and the reserve requirement will change based upon budgeted expenses. Doug Sandstrom asked if the investment income will assist with the financials. Jared stated that we did see an increase in investment income at \$170K.

4. Cigna 2022-2023 Total Health Insight

Krystle Edmonds discussed the Cigna Total Health Insight. She mentioned the multi-year trend (3 years) at 7.6% annual trend which is line with the medical trend average over the nation. From 2014-2022, the trend has been at 4% which is a really good number and confirms some of Cigna's recommendations that the city has put in place to curb some of the trends that have occurred throughout the years. The board reviewed the Executive Summary for plan year 2023 which shows an increase in overall utilization and the pharmacy specialty trend looks good. There is an increase in membership at 8% and the average age of 30.5 is lower than the national norm. The total trend is at 23.4% comprised of 26.7% for medical and 13.4% for pharmacy. The board reviewed the top 3 medical conditions. The network utilization increased by 2% to 98.9% for using in-network providers/services. There are 6% of those that have the medical plan that are not using the plan. Krystle went over the pharmacy trend to show that catastrophic medical spend is what is increasing the cost and the prescription drug mix. Generic prescription is dispensing at a 91% rate. The board reviewed the top 10 drug classes and the top four conditions for the medication adherence rate for those complying with taking their medications when they are supposed to. The board also reviewed pharmacy program savings. Krystle discussed the overview of the prior authorization that was reviewed with the self-insured health committee members and the steps that needed to be taken.

Krystle explained the city currently has the preferred management program in place and 90% of Cigna's book of business is under the preferred medical management program. She advised the board the cost to move to the basic management program is about 3%. Doug Sandstrom asked if there is a dollar amount that can be put to the medical management cost savings and Krystle advised she would need to have that information calculated and bring the information back to the board. Lyman advised the board that GBS helped Goodyear procure Health Advocate to assist employees navigate with all city benefits. Shelli Maggio advised that sometimes members get caught in the middle so any opportunity to help members understand they have an advocate to help them through the process is a great benefit.

5. Retiree Healthcare

Lyman Locket advised the board that in February 2023, council tasked the city to do research on retiree healthcare. He stated the city has received data back from the research and the information will be presented to city council at the November 13th meeting. He also mentioned other cities were reviewed to see what retiree healthcare programs they have including Phoenix, Tempe, Chandler and Gilbert. He advised City of Phoenix will sunset their non-Medicare retiree healthcare program either 12/31/2025 or sooner if no stop loss coverage can be maintained. Doug Sandstrom will be reaching out to a few cities to see what worked and what didn't work. Lyman stated there is a lot of discussions about retiree healthcare in city government and there will be more information to share with the board after the November council meeting.

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No items were discussed.

NEXT MEETING

Review the date, time and location of the next meeting, if applicable.

No future meeting date was discussed.

ADJOURNMENT

There being no further business to discuss, Chairman Balsan adjourned the meeting at 2:09 p.m.

Respectfully Submitted by:

Lyman Locket, Human Resources Director

Michael Balsan, Board Chairman

Date:_____