

DRAFT

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 Minutes

CALL TO ORDER

ROLL CALL

Present: Chair Michael Balsan; Vice Chair Wade Foster; Boardmember Jennifer Preyer-Bonton; Boardmember Richard Newcomer; Ex-Officio Jared Askelson

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

Attendees: Charlie Broucek, Senior Vice President , Brown & Brown; Paula Campbell, Benefits Consultant VP, Brown & Brown

BUSINESS

1. APPROVE MINUTES

MOTION BY Chair Michael Balsan, **SECONDED BY** Vice Chair Wade Foster to APPROVE the draft minutes of the Self-Insured Healthcare Trust Board meeting held on October 31, 2023. The motion carried by the following vote:

AYE: Chair Michael Balsan, Vice Chair Wade Foster, Boardmember Jennifer Preyer-Bonton, Boardmember Richard Newcomer, Ex-Officio Jared Askelson

Passed - Unanimously

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

Jared Askelson provided a review of the financials noting \$9.4M sources and \$9.7M expenditures that show a reduction in net assets of \$227K. The incurred but not reported for the restricted reserve has an \$8.4M fund balance and the current reserve requirement is \$5.2M.

There was no action taken.

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

Lyman introduced Brown & Brown as the city's new benefits consultant. Charlie Brousek and Paula Campbell introduced themselves and provided the board with their background and experience in the industry. Charlie Brousek reviewed the City of Goodyear 2024 plan year preliminary renewal projection. He discussed the normalization spreadsheet which looks at normalizing claims activity above \$50,000 to \$250,000. He reviewed the last three plan years and advised the current plan year is performing higher than anticipated in claims. The medical plan is showing a 7.3% annual trend and the pharmacy is showing a 10.3% annual trend. The data the board reviewed does not include rebate credits in the renewal projection calculations.

Board Chairman Balsan inquired if Cigna had about referenced based pricing to assist with mitigating some of the higher claims cost. Charlie advised that Cigna does have a third-party administrator that does reference pricing to help lower claims costs. The board had discussion about prescription drugs and other opportunities for getting discounts on medications and concerns with balance billing. Lyman advised the board that employees have had issues with balanced billing throughout the year. Lyman informed the board that there have been no major plan design changes since he has been with the city the last 10 years and the board could also consider unbundling some services such as pharmacy when looking at the RFP process in the future.

Charlie discussed the medical plan projection showing \$441.37 per member per month cost and the pharmacy shows \$143.94 per member per month cost. The renewal projection shows an increase in premiums at 14.52%. Charlie reviewed the alternative stop loss options, changing the out-of-pocket maximum on the medical plans and making no changes to the plans in the renewal projections. The board reviewed the infertility procedure benefit which would add \$47K to the plan. There was also discussion about the performance of the PPO dental plan and the dental option enhancements which includes the orthodontia benefit.

Boardmember Askelson noted that the board could consider using some of the reserve fund balance, counting the rebates against the renewal projections and adding the investment income due to higher returns to bring down the increase in the renewal projections to 5%.

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

MOTION BY Ex-Officio Jared Askelson, **SECONDED BY** Vice Chair Wade Foster to APPROVE a 5% rate increase next fiscal year for medical and no increase for dental.

AYE: Chair Michael Balsan, Vice Chair Wade Foster, Boardmember Jennifer Preyer-Bonton,
Boardmember Richard Newcomer, Ex-Officio Jared Askelson

Passed - Unanimously

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

There being no further business to discuss, Chairman Balsan adjourned the meeting at 2:06 p.m.

Respectfully Submitted by:

Lyman Locket, Human Resources Director

Michael Balsan, Board Chairman

Date: _____