

Self-Insured Healthcare Trust Board

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



Thursday, November 12, 2025

1:30 p.m.

Meeting Minutes

CALL TO ORDER

ROLL CALL

Present: Chair Michael Balsan; Boardmember Jennifer Preyer-Bonton; Ex-Officio Michael Shoemaker; Committee Member Kathleen Koncel

Absent: Vice Chair Wade Foster

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

Attendees: Kevin Custer, Finance Deputy Director; Mayette Bailey, Finance Manager; Krystle Edmonds, Cigna Strategic Account Executive; Charlie Broucek, Senior VP Brown & Brown; Paula Campbell, Consultant VP, Brown & Brown

BUSINESS

1. APPROVE MINUTES

Chanda Washington, Benefits Analyst, it was noted for the record that the attachment uploaded and named March 4, 2025 date was the incorrect attachment. The correct document was provided to the board as agendized.

MOTION BY Chair Michael Balsan, **SECONDED BY** Committee Member Kathleen Koncel to APPROVE the draft minutes of the Self-Insured Healthcare Trust Board meeting held on March 4, 2025

AYE: Chair Michael Balsan, Boardmember Jennifer Preyer-Bonton, Ex-Officio Michael Shoemaker, Committee Member Kathleen Koncel

Passed - Unanimously

2. Recognition of Service for former board member Jared Askelson

Lyman Locket provided a formal recognition of the contributions of Jared Askelson as the Finance Director and Board member of the Self-Insured Healthcare Trust Board. Lyman explained Jared has accepted a position at City of Buckeye as Deputy City Manager.

3. Review, discuss and take possible action on financials

Mayette Bailey provided an update on the financials. The data reviewed were preliminary numbers as of September 30, 2025. She discussed that \$4.7M has been received in resources. The breakdown is \$4.6M in contributions and \$60K from investment income and no rebates were recorded during this time period. There were \$6M in expenses with the breakdown of \$5M in medical expenses, \$255K in dental and \$617K in administrative fees for the quarter. Currently, the financials are showing a deficit. There is \$7.5M in the reserve which would be enough to cover the current deficit and leave approximately \$1.3M surplus remaining in the reserves. Mayette advised the board that the budget division will be looking at the future reserve requirements.

4. Review, discuss and take possible action on Cigna Population Health and Pharmacy Rebates

Krystle Edmonds with Cigna provided an update on the last utilization review period from July 2024 through June 2025. The city's compound annual growth rate is 8.6% on a 5-year compound growth rate which is in line with the national trends. She reviewed the costs and trends with the clarifying point that the highest-cost claimant impacts the trends. The claim costs are an anomaly and the per member per year trend is up to 17.9% overall. The overall trend drops to 6.7 when the high-cost claimant dollars are removed from the calculation. In addition, there was a 10% increase in plan members. 15% of the members are considered non-users on the plan which is below the norm of 29% and the data shows our enrollees' engagement in health. There was discussion of pharmacy trend, top therapeutic classes by trend, top 5 drugs by spend, and the trend and key conditions medical adherence. There was a summary of catastrophic claimants including claims above \$100K threshold. There were 21 catastrophic claimants this period and in the previous review period there were 15 claimants. Population health was discussed and it was mentioned that 15% of the non-utilizers should at least be engaged in routine preventative services. In conclusion, the pharmacy rebate data was provided. Cigna passes 100% of the rebates from the plan to the city quarterly. For quarter 1 and quarter 2 in 2025, the city received \$528K in rebates. Krystle provided information on potential plan changes for 2027, where fully insured plans will pass rebates to the members at the point of sale and in operation and in 2028 for self-insured plans, the rebates can be passed on to the members at point of sale or to the city. Krystle advised there is not much detail at this time on how the rebates will be handled in future years but she will share any updated information as it becomes available.

5. Review, discuss and take possible action on plans performance

Charlie Broucek provided the medical plan experience covering July 2025 through June 30, 2026. He advised the board of the costs exceeding the budget estimate by 16% resulting in a deficit of \$897K. There was discussion of the top high claimants and of the performance of all three plans. It was noted that the top 18 claimants accounted for 46.1% of overall claims. Chairman Balsan initiated a discussion on the HSA plan, benefits and member education. Charlie summarized the savings, noting that longer-term savings would be realized for enrollees through the plan's tax benefit for individuals. Lyman added that education will continue on the plans and benefits.

6. Review, discuss and take possible action on FY 2028 RFP for medical, dental and voluntary insurance

- Timeline
- Benefits Survey

Lyman shared the contract with Cigna will expire in June 2027. The team is gearing up for the request for proposal (RFP) process and discussed the timeline. A benefits survey will be collected from employees and the city will work with Brown and Brown on the RFP. The goal is to have the RFP in the spring of 2026 with a contract awarded in early 2027. This process will also involve union negotiations. The board did not have any further questions about the information presented.

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.

FUTURE MEETINGS

Tentatively scheduled for March 5, 2026

ADJOURNMENT

There being no further business to discuss, Chairman Balsan adjourned the meeting at 2:45 p.m.

Respectfully Submitted by:

Lyman Locket, Human Resources Director

Michael Balsan, Board Chairman

Date: _____