

## **NOTICE OF REGULAR MEETING**

In accordance with §38-431.02 of the Arizona Revised Statutes of the State of Arizona, notice is hereby given to the Employee Benefit Trust Board and to the general public that the Mayor and Trustees of the Employee Benefit Trust Board will hold an Employee Benefits Trust Board Meeting at 5:30 p.m., Wednesday, September 9, 2020. The meeting will take place at the City Council Chambers, located at 1090 E. Union Street, San Luis, Arizona, 85349.

In accordance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, the City of San Luis does not discriminate on the basis of disability in the admission of or access to, or treatment of employment in its programs, activities, or services. For information regarding rights and provisions of the ADA or Section 504, or to request reasonable accommodations for participation in City programs, activities or services contact: ADA/Section 504 Coordinator, City of San Luis Human Resources Department, 1090 East Union Street, San Luis, Arizona 85349; (928) 341-8579.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recording. Parents in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 been waived.

THIS NOTICE IS APPROVED BY:

/s/ Maria Munoz, HR Benefits Coordinator

## **AVISO DE JUNTA REGULAR**

De acuerdo con los Estatutos del Estado de Arizona A.R.S. §38-431.02, se le informa a los miembros de la Junta Fiduciaria de Beneficios para Empleados y al público en general que el , tendrán una Junta Regular a las 5:30 p.m., el día Miercoles, 9 de Septiembre del 2020. La junta se llevará a cabo en la Sala del Cabildo, ubicada en el 1090 E. Union Street, San Luis, Arizona, 85349.

De acuerdo con el Acta de Americanos con discapacidades y la Sección 504 del Acta de Rehabilitación del 1973, la Ciudad de San Luis no discrimina por causa de discapacidad la admisión y acceso a sus programas, actividades, servicios o en el trato en cuanto a empleo. Para mas información referente a derechos y provisiones del Acta de Americanos con discapacidades o Sección 504, o para solicitar adaptaciones que sean razonables para la participación en programas, actividades o servicios de la ciudad, contactar al: Coordinador del Acta de Americanos con discapacidades/Sección 504, Departamento de Recursos Humanos de la Ciudad de San Luis, 1090 Este Calle Unión, San Luis, Arizona, 85349; (928) 341-8579.

Por medio de este aviso y de acuerdo con los Estatutos Revisados del Estado de Arizona, sujeto a ciertas excepciones reglamentarias, los padres de familia tienen el derecho de dar o no dar el consentimiento antes que el Estado o alguna subdivision política grabe a un menor de edad, ya sea en audio o video. Las juntas del Concilio se graban en audio y/o video y como resultado, el hecho de que haya menores presentes puede ser sujeto a que sean grabados. Para que los padres de familia puedan ejercer sus derechos pueden solicitar por escrito con la Secretaria de la Ciudad a tal grabación, o tomar acción personal para asegurarse que su hijo/hija menor no esté presente cuando la grabación se lleve a cabo. Si un menor de edad esta presente en el momento de la grabación, la Ciudad asumirá que los padres de familia están cediendo los derechos sobre una posible grabación de acuerdo con el Estatuto Revisado del Estado de Arizona §1-602.A.9.

ESTE AVISO ES APROBADO POR:

/f/ Maria Munoz, Coordinadora de Beneficios de Recursos Humanos

**AGENDA**  
**Regular Meeting**  
**City of San Luis Employee Benefit Trust**  
**Council Chambers – City Hall**  
**1090 E Union Street**  
**San Luis, AZ 85349**  
**Wednesday, September 9, 2020**  
**5:30 p.m.**

The September 9, 2020 Employee Benefit Trust Board meeting, for the safety of the public during the COVID-19 pandemic, will not have in-person attendance for members of the public.

However, members of the public may listen to the meeting's live audio stream on the City of San Luis' website <https://sanluisaz.gov/listenlive>. Recordings of the meetings will be available on the City's website <https://sanluisaz.gov/listenlive> after the meeting.

Open meetings conducted remotely through technological means are permissible under the March 13, 2020, Arizona Attorney General opinion titled, "Re: Concerns Relating to Arizona's Open Meeting Law and COVID-19" and following the Mayor's March 18, 2020, Continued Declaration of Emergency and Amended Order-Coronavirus Disease-19 and City Council's Order 2020-7 which closed all city buildings and facilities (except the Municipal Court) to public access.

Por la seguridad del público durante la pandemia COVID-19, no habrá asistencia en persona para los miembros del público en la Junta Fiduciaria de Beneficios para Empleados del 9 de Septiembre del 2020.

Sin embargo, los miembros del público pueden escuchar el audio en vivo de la reunión transmitido en el sitio web de la Ciudad de San Luis <https://sanluisaz.gov/listenlive>. Las grabaciones de las reuniones estarán disponibles en el sitio web de la Ciudad <https://sanluisaz.gov/listenlive> después de la reunión.

Las reuniones abiertas realizadas de forma remota a través de medios tecnológicos están permitidas bajo la opinión del Fiscal General de Arizona del 13 de marzo de 2020 titulada "Re: Preocupaciones relacionadas con Open Meeting Law de Arizona y COVID-19" y después de la Declaración de Emergencia Continua del 18 de marzo de 2020 del alcalde y Orden modificada-Enfermedad de Coronavirus-19 y Orden del Ayuntamiento 2020-7 la cual cerró todos los edificios e instalaciones de la ciudad (excepto en la Corte Municipal) al acceso público, para proteger la salud y la seguridad pública y reducir la transmisión de la Enfermedad de Coronavirus 2019 (COVID- 19).

**NOTE: Some members of the Board of Trustees of the City of San Luis Employee Benefit Trust may attend the meeting telephonically. If authorized by majority vote of the Board of Trustees, an executive session will be held immediately following the vote in accordance with A.R.S. §38-431.03(A) and the meeting will be temporarily recessed while the Board retires to executive session which will not be open to the public.**

1. **CALL TO ORDER/ROLL CALL**

2. **PRESENTATION**

Presentation-Introduction of new Director of Human Resources, Sondra Matthews. **(Maria Munoz, HR Benefits Coordinator)**

**3. CONSENT AGENDA**

All matters are considered to be routine by the Employee Benefit Trust Board and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

**3. A. MINUTES OF:**

-Regular Meeting held on June 03, 2020

**4. DISCUSSION AND POSSIBLE ACTION ITEM:**

**4. A.** Discussion and possible action on any and all matters regarding the annual review of the benefit plan. **(Susan Posada, Consultant and Broker)**

**5. ADJOURNMENT**

**Employee Benefit Trust Board Meeting**

**2.**

**Meeting Date:** 09/09/2020

**Department Head:** Sondra M. Matthews, Director of Human Resources, Human Resources Department

**Submitted By:** Maria Munoz, HR Benefits Coordinator, Human Resources Department

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**ITEM:**

**PRESENTATION**

Presentation-Introduction of new Director of Human Resources, Sondra Matthews. **(Maria Munoz, HR Benefits Coordinator)**

**SUMMARY:**

Ms. Sondra Matthews was hired by the City of San Luis on June 29, 2020. She is a dedicated human resources professional and lifelong learner. She is a graduate of Northern Arizona University and a SHRM Senior Certified Professional who has been working in Human Resources for the past 8 years. Before pursuing a career in HR Sondra worked in the medical field for 12 years. She took that knowledge and specialized in benefits and wellness programs. Working with employers such as Western Arizona Council of Governments and Yuma County in delivery comprehensive benefit programs while helping employees make informed decisions regarding their healthcare options. Most recently Sondra was employed at the City of Yuma where she was involved with their wellness program along with overseeing training, leave, employee relations and worker's compensation for the City. Overall, Ms. Matthews knowledge, experience and leadership is a great asset to the City of San Luis.

**RECOMMENDATION / SUGGESTED MOTION:**

**INTRODUCTION ITEM ONLY, NO ACTION.**

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**Fiscal Impact**

**Fiscal Impact:**

N/A

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**Employee Benefit Trust Board Meeting**

**3. A.**

Meeting Date: 09/09/2020

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Summary

**MINUTES OF:**

-Regular Meeting held on June 03, 2020

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**Attachments**

Minutes for meeting held on 06/03/2020

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**MINUTES  
REGULAR MEETING  
EMPLOYEE BENEFITS TRUST  
COUNCIL CHAMBERS  
1090 E. Union Street San Luis, Arizona 85349  
June 3, 2020  
4:00 p.m.**

**NOTE:** Some members of the Board of Trustees of the City of San Luis Employee Benefit Trust may attend the meeting telephonically. If authorized by majority vote of the Board of Trustees, an executive session will be held immediately following the vote in accordance with A.R.S. § 38-431.03(A), and the meeting will be temporarily recessed while the Board retires to Executive Session which will not be open to the public.

***Chairman Sanchez and Board Members attended the meeting remotely due to COVID-19 restrictions.***

- 1. CALL TO ORDER/ROLL CALL** Chairman Sanchez called the meeting to order at approximately 4:09 p.m.

**THOSE PRESENT:**

Board Member Maria Gonzalez  
Board Member Gustavo MacGrew  
Secretary Maria Sabori  
Chairman Gerardo Sanchez

**OTHERS PRESENT:**

Kay Marion Macuil, City Attorney  
Janet Taylor, Legal Secretary, Clerk of the Board  
Tadeo A. De La Hoya, City Administrator  
Maria Munoz, HR Benefits Coordinator  
Susan Posada, Benefits Coordinator/Broker - Remotely  
Rob Flunker, EBSO - Remotely  
William Carr, Health Claim Auditors – Remotely  
Edgardo Carbajal, Acting HR Director – arrived at 4:15 p.m. left briefly at appx 4:40 p.m. and returned at appx 4:45 p.m.  
Jonathan Dumadag IT Senior Technician

**THOSE NOT PRESENT:**

Vice-Chairman Emma Torres

- 2. CONSENT AGENDA**

## 2.A. MINUTES OF:

-Regular meeting held on March 18, 2020

**MOTION:** Chairman Sanchez and Board Member Maria Gonzalez to approve minutes of Regular Meeting held on March 18, 2020. **Motion passed unanimously.**

### **The vote was as follows:**

Board Member Maria Gonzalez	Aye
Board Member Gustavo MacGrew	Aye
Secretary Maria Sabori	Aye
Chairman Gerardo Sanchez	Aye

## 3. DISCUSSION AND POSSIBLE ACTION ITEMS:

**3.A.** Discussion and possible action on any and all matters regarding the date request approval to retro/ratifying ESurgeries agreement to 03/23/2020 due to agreement with San Luis Walk-In Clinic. **(Susan Posada, Broker, and Consultant)**

Ms. Posada explained due to a cough Rob Flunker from EBSO would be doing most of the speaking.

Mr. Rob Flunker from EBSO explained the reason for the recommendation. E Surgeries helped set-up direct contracts with four or five of the Walk-in Clinics around San Luis so that members that are on the Mexico plan could use those walk-in clinics when the border was shut-down. He stated that It was very last minute trying to find a solution for those members that needed to receive care. So instead of the contract with E Surgeries beginning July 1, 2020, it is ratified retroactively to March 23, 2020, which is the date ESurgeries set-up contracts with the Walk-in clinics.

Chairman Sanchez polled each board member for questions or concerns, and there were none.

**MOTION:** Chairman Sanchez and Secretary Maria Sabori to approve the retroactive effective date of the agreement with ESurgeries as presented. **Motion passed unanimously.**

### **The vote was as follows:**

Board Member Maria Gonzalez	Aye
Board Member Gustavo MacGrew	Aye
Secretary Maria Sabori	Aye
Chairman Gerardo Sanchez	Aye

**3.B.** Discussion and possible action on any and all matters regarding the change to the Mexico only Medical Plan to offer out-of-network hospitalization coverage in the event of an emergency at the out-of-network coinsurance of 50%, subject to an out-of-pocket maximum of \$20,000.00/\$40,000.00. **(Susan Posada, Broker, and Benefits Consultant)**

Rob Flunker stated that the out-of-network coinsurance for the Mexico only plan was in place previously, but we made a motion to take out the out- of- network coverage in the U.S. for hospitals for the Mexico only primary people but this is a motion to put it back in should there ever be another pandemic or for people who are afraid to cross the border that they would have some out- of- network hospital coverage in the U.S.

Chairman Sanchez stated that it had to be done and that the employees that had Mexico only insurance would be liable for a huge amount of medical expenses if they ended up in the hospital.

**MOTION:** Chairman Sanchez and Gustavo MacGrew to approve the changes to the Mexico only Medical Plan as presented. **Motion passed unanimously.**

**The vote was as follows:**

Board Member Maria Gonzalez	Aye
Board Member Gustavo MacGrew	Aye
Secretary Maria Sabori	Aye
Chairman Gerardo Sanchez	Aye

**3.C.** Discussion and possible action on any and all matters regarding results of SIARMED audit conducted by Health Claim Auditors, Inc. **(William Carr and Susan Posada, Broker and Consultant)**

Mr. Carr introduced himself and stated that he was with Health Claim Auditors, an independent audit firm. Mr. Carr said that this was the third audit they have done for the City of San Luis, and the audit was to focus on SIARMED and make sure that the pricing was reasonable on prescription drugs and the accuracy of claims administration. And an overall view of both SIARMED and EBSO benefits.

Mr. Carr explained the audit report and how it was performed. Two hundred medical claims were pulled, out of the 200, 160 were SIARMED and 40 non SIARMEDs they looked at 100 dental claims and explained there were 80 SIARMED dental claims and 20 non SIARMED dental claims. The timeframe was January 2018 through the end of December 2019.

Mr. Carr stated that of the SIARMED claims pulled that they were inline and that the prescriptions were within reasonable costs. There were 17 dental claims for copayment review, and of the 17 claims reviewed, all 17 were charged incorrect copays 14 instances of charging the member \$35.00 versus a \$20.00 copay for

basic services. Two instances of not charging the \$20.00 copay and one instance of charging the preventative copay in error and not charging the major copayment. A lot of these have been changed and corrected after the audit. They hope that in future audits, these do not exist.

Ms. Posada stated that they were made aware of some of the copay errors, as well as Tadeo De La Hoya, Maria Munoz, and Edgar Carbajal. To compensate some of these members, we made changes to the plan. Dr. Galindo, in addition to that, went over five thousand dollars that he should have billed and is not getting. And has apologized for the error, and we will talk about it at the end of the presentation. It was an error. It was really just an oversight.

Mr. Carr stated that overall, EBSO does a fine job. They work very hard at keeping accuracy as clean as possible. When you look at that many claims, you will find errors.

On the medical side, there were 200 claims, and there were three claims that had copays not applied. They were minor issues.

Under dental, there were nine cases out of 200 that the copays were incorrectly applied, not applied per tooth.

Data conversion system errors occurred six cases out of 100 where there was some type of conversion error, something EBSO should look at in the future.

Mr. Carr stated that there should have been a five-dollar copay for in-office visit labs, there were six cases that should have had a copay.

The last item has to do with prescription drugs a little on the medical side. It was a question to EBSO. How do they determine if they get a very high-cost prescription drug? Something maybe Susan wants to discuss in the future. Mr. Carr stated he was finished and asked if there were any questions he could address.

Chairman Sanchez thanked Mr. Carr for the report and stated that it appeared that copays were the biggest issue and that this was very low compared to the first audit that was done.

Board Member Maria Gonzalez asked if there was a copy of the audit, and was informed where to find it.

Ms. Posada requested the last page of the presentation be displayed. The SIARMED incorrect copay. During 2018-2019 SIARMED billed our members incorrectly for the amount of \$575.00. A total of 38 claims were effected and should be reprocessed. However, it was going to be a lot of work, and it was right at the beginning of the COVID pandemic. SIARMED came to us and wanted that \$4,900.00 because that is what was owed to them minus the \$575.00. We said we couldn't do that. What we need to do is reprocess the claims, then we will pay you whatever the processed amount is. They came back and said it was going to

be a lot of work. They said they would forgive the \$4,900.00 if we don't do this. Ms. Posada responded that she would take it to the Trust for approval. Ms. Posada stated that because of the COVID, she wasn't able to reach the board, so what we did was reduce all the copays.

Chairman Sanchez stated that he felt it was right to return the \$4,900.00, and asked the board if they had any questions or concerns.

Chairman Sanchez polled the board for any questions or concerns; none were had.

**Discussion only no action taken.**

**3.D. Discussion and possible action on any and all matters regarding the authorization of virtual visits with primary care physicians and mental health providers during the pandemic. (Susan Posada, Broker, and Consultant)**

Rob Flunker stated that they would like to amend the plan from brick and mortar physicians to allow them to treat their patients telephonically or if that doctor has a video chat set-up to treat them that way. The change would include a primary care visit and also mental health and nervous treatments as well.

Ms. Posada stated that during the COVID, everyone was on lock-down, and members couldn't get to their doctors. Our plan did not allow virtual visits with their existing doctors, and some people didn't feel comfortable calling Healthiest You. So they should be able to call and have a virtual visit with their doctor.

Chairman Sanchez stated that he agreed and that he has been doing virtual visits for the past four weeks. It has been effective and is still able to treat that way. He stated that our plan should include that for the future.

Ms. Posada said she is not just recommending it now just for the COVID but for future visits because it is the wave of the future.

Chairman Sanchez stated he agrees and that a lot of his patients don't want to come in, especially the more vulnerable patients and the high-risk patients. We need to be proactive about this, and this is the way.

Chairman Sanchez polled the board for any questions or concerns; none were had.

**MOTION:** Chairman Sanchez and Maria Gonzalez to approve the plan change to U.S. and Mexico Medical Plans as presented. **Motion passed unanimously.**

**The vote was as follows:**

Board Member Maria Gonzalez	Aye
Board Member Gustavo MacGrew	Aye
Secretary Maria Sabori	Aye
Chairman Gerardo Sanchez	Aye

**3.E. Discussion and possible action on any and all matters regarding Stop Loss Renewal with Symetra Financial. (Susan Posada, Broker and Consultant and Rob Flunker/EBSO)**

Rob Flunker said that the Stop Loss was shopped extensively and referred to the Stop Loss page, then referred to the first two columns explaining what they were seeing was Option 1,2,3 and then a 5<sup>th</sup> option. The declines are all the other carriers that they went to. There was a total of six carriers that provided quotes, including Symetra, the current carrier, and six carriers that declined to quote. So we went out to 12 different carriers to shop the Stop Loss and get a really good rate and also the best contract. EBSO's recommendation is that we remain with Symetra. They provided the best contract and the best rates.

Mr. Flunker explained when you are shopping Stop Loss on a traditional plan for a group of this size a lot of the time you remain with current carriers because they have had the group for many years, so they know and understand how the group is running really well as opposed to a new carrier change every year. That is what we have seen here. Symetra has treated us very well with the rate that they give but, that is not to say that we don't hold them accountable by shopping it every year. So looking at these two columns, you will see the current rates that we have as well as the renewal rates. The renewal rates came in a little bit higher on the fixed costs than previously, but, we had lower funding factors.

Mr. Flunker stated the reason for the renewal increase was due to some high claims going on right now within the group, some ongoing high-cost conditions as well as the claims that have been paid in the same time period. July 1, 2018, to May 1, 2019, there were \$109,000.00 in paid claims in pharmacy, and if we look at the same time period of July 1, 2019, to May 1, 2020, there were \$182,000.00 in paid claims in pharmacy. Our pharmacy claims have gone up, and that is reflected in the increase of the Stop Loss premium. Positive side notes: in those same time periods, the plan had \$865,000.00 in paid medical claims. And in this most recent time period July 1, 2019, to May 1, 2020, there were just \$725,000.00 on the medical side, so \$140,000.00 less.

Ms. Posada commented that we have about 18 claims that are concerning. One case that was about to be lasered, meaning a person that has such a high risk that they take them out of the insurance, so any claim that comes in they will not pay for that person. And will pay only a certain amount, if that. Ms. Posada also explained it would not be good to move from Symetra, especially if that person

got sick between now and July 1<sup>st</sup> any further would be concerning. The Symetra contract is much stronger than the Magellan.

Ms. Posada continued that the past three years, there have been really good claims, but this year is not looking good.

Mr. Flunker agreed with Ms. Posada and explained that it is about every third year that a group will have high claims. And San Luis is following the trend with high claims. So going back to the column where the premium is a little higher is because there is a substantially higher risk.

The definition of the Symetra contract it being a paid contract meaning every claim that is incurred will be paid. Every other Stop Loss carrier would have a contract period of 24/12 basically what that means is there is a small window of chance that a claim could fall into a time period that wouldn't be covered by the carrier.

Because we have had Symetra so long, every claim is paid. In regards to the laser, they wanted to put a \$350,000.00 laser on an individual. Right now, there is a \$50,000.00 specific deductible on each employee. This one employee would have a \$350,000.00 specific deductible, so before the carrier would cover any claims, the city would have to pay \$350,000.00. All other carriers have lasers on people, but Symetra does not have any lasers. So that is a very big thing to pay attention to when you are renewing a group.

Mr. Flunker spoke on how a lot of the businesses are furloughing employees, and with decreased enrollment, carriers are not re-adjusting their rates. When you are self-funded a lot of times, the carriers are re-rating for the decrease in employees, and Symetra is not doing this in regards to the city, which is beneficial to the city for better rates.

Chairman Sanchez said he agreed, and Symetra has been consistent, they know us and they know how we work. I like the fact that they don't use lasers to give us this quote. They know our trajectory, and they know our history.

Mayor Sanchez opened the floor for board members to comment.

Secretary Maria Sabori commented that Symetra has been with us for a few years, and they have always been good.

There were no other comments or concerns.

**MOTION:** Chairman Gerardo Sanchez and Boardmember Maria Gonzalez to approve the Stop Loss Carrier's proposal for renewal in the amount of \$581,710.00 as presented. **Motion passed unanimously**

**The vote was as follows:**

Board Member Maria Gonzalez	Aye
Board Member Gusatvo MacGrew	Aye
Secretary Maria Sabori	Aye
Chariman Gerardo Sanchez	Aye

Meeting adjourned at approximately 5:04 PM.

PENDING APPROVAL

**Employee Benefit Trust Board Meeting**

**4. A.**

**Meeting Date:** 09/09/2020

**Department Head:** Sondra M. Matthews, Director of Human Resources, Human Resources Department

**Submitted By:** Maria Munoz, HR Benefits Coordinator, Human Resources Department

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**ITEM:**

Discussion and possible action on any and all matters regarding the annual review of the benefit plan. **(Susan Posada, Consultant and Broker)**

**SUMMARY:**

The Trustees are to meet quarterly to review the Trust Fund on a quarterly basis. This would be to ensure "sufficient funds to exist to pay outstanding and future benefits, to pay for losses or claims or any combination of insurance and direct payment, and to pay for risk management consultation."

This item is informational. However, it has been put on the agenda as an action item in case there is any action the Board wishes to take

**RECOMMENDATION / SUGGESTED MOTION:**

**(No staff-recommended motion. If there are no motions from the Board, the Chair may move to adjourn.)**

**I MOTION TO \_\_\_\_\_.**

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