

**MINUTES
SPECIAL MEETING
EMPLOYEE BENEFITS TRUST
COUNCIL CHAMBERS
1090 E. Union Street San Luis, Arizona 85349
April 5, 2023
4:30 PM**

- 1. CALL TO ORDER/ROLL CALL** meeting was called to order at approximately 4:33 PM

Those present:

Board Member Gustavo MacGrew
Secretary Maria Sabori
Chairman Tadeo De La Hoya

Those not present:

Board Member Maria Gonzalez
Vice-Chairman Emma Torres

Others present:

Kay Marion Macuil, City Attorney
Janet Taylor, Legal Secretary, Clerk of the Board
Susan Posada, Benefits Coordinator
Mary Barajas Gutierrez, Human Resources Coordinator
Adela Cortez, Director of Human Resources
Ralph Velez, Acting City Manager
Roula Encinas, Finance Operations Manager
Domingo Sosa, Graphics Specialist
Ruben Lopez, IT Technician

- 2. CONSENT AGENDA**

All matters are considered 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.

- 2. A. MINUTES OF:**

- Special meeting held on February 8, 2023

MOTION: Chairman De La Hoya and Board member Gustavo Macgrew approve the minutes of the meeting held February 8, 2023. **Motion passed unanimously.**

The vote was as follows:

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| Chairman Tadeo De La Hoya | Aye |
| Board Member Gustavo MacGrew | Aye |
| Secretary Maria Sabori | Aye |

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

3.A. Discussion and possible direction to executive advisors or broker/consultant on any and all matters regarding Stop Loss Insurance. **(Susan Posada, Broker, and Consultant)**

Susan Posada, Broker and Consultant, discussed the Stop Loss Insurance and the fact that there were major claims and that the plan was looking at a one million dollar cost increase. She stated that we do not have final figures yet, but we have to budget what the final increase is going to be for the council to approve the budget.

Ms. Posada stated that we are looking at a 20% increase, but none of it will be passed on to the employee. That is the recommendation at this time, and it would be a 20% increase to the city. She also stated that the city had not had an increase for five years.

Chairman De La Hoya asked if the 20% increase was the total for the premium or the stop loss.

Ms. Posada stated that the 20% she was talking about is the total cost of the plan. She stated that every year the Trust pays about three million toward the plan, including costs of claims. This year the Trust was looking at paying about four million. Ms. Posada stated she would need another meeting to approve the Stop-Loss. She also recommends that the city take the \$600,000.00 loss when that claim comes to be. And then, have them charge us more money, and they pay that \$600,000.00 because the renewals will be based on that increase.

Secretary Maria Sabori asked if the \$600,000.00 claim was still ongoing and could there be more.

Ms. Posada stated that it all depends on the member's decision.

Discussion only, no action.

3.B. Discussion and possible action on any and all matters regarding the Employee Benefits Plan proposal, which takes effect on July 1, 2023. **(Susan Posada, Broker, and Consultant)**

Ms. Posada stated that we have been with 90 degrees for about five years. There have been some difficulties. The service was the number one issue, but the second issue is that they came in with a proposal of about a 44% increase. Ms. Posada pointed out some of the rate increases that were being proposed.

City Attorney Kay Macuil addressed Susan and explained that she was discussing agenda item 3.C. and not item 3.B., Which is the Wellness Plan.

Ms. Posada apologized and began discussing the Wellness Program and stated that HR is given a budget of \$18,000.00 because they put on biometrics and classes.

MINUTES APPROVED BY MEMBERS

DATE: 05/04/2023

MINUTE TAKER s/J. Taylor

Chairman De La Hoya stated for clarification to Ms. Posada that we were on item 3.B. Ms. Posada then proceeded to discuss the fact that we got a really good deal with Blue Cross/Blue Shield. We were given a one-year and two-year renewal. Ms. Posada is recommending that we take the two-year renewal, which would take us to an increase of \$22 dollars per employee per month. It is a 4.76 percent increase.

The second would be the prescription medication management, which was just part of the contract last year, and this is not a new item. The administrative fee was \$10.00 per claim, and the second year would be \$10.25 and \$10.50 the third year.

The Telemedicine contract remains at \$13.00, including Teledoc, nutrition, dermatology, and many other benefits.

The Wellness program is budgeted at \$18,000.00 annually.

Chairman De La Hoya asked about the prescription program, and Ms. Posada explained that there were two elements to it. One is how much we pay, and then they give us rebates or money back. Last year it was \$65,000.00. Mr. De La Hoya stated that it was his understanding that we were not able to use money from the Trust for the Wellness Program. Ms. Posada stated that as long as you are doing a "Wellness Program" for everyone, then it is okay to use the money. We just couldn't give reimbursements for certain things because that money would be taxed to the employee. Ms. Posada stated that she has always given the Wellness Program a budget. The first year was \$10,000. The second year was \$18,000. And this year, it will be \$18,000. They did not use all of it last year, but this year with new management, they will use it.

Ms. Sabori stated that it was originally with HR, but it was voted on by the Trust and was approved through the Trust.

Adela Cortez, HR Director, replied to Mr. De La Hoya's question regarding the Wellness Program, and she stated that she had seen that it was allocated on the HR side and then on the Trust, so she inquired about it and is now utilizing the money from the Trust. And had received approval from finance to use it. So now we don't have to budget for that on the HR side. She also stated there are certain challenges where employees win for their participation. Now will use money from the Trust if it is wellness related.

Secretary Maria Sabori had a follow-up question on the Healthiest You program. She stated that a few years back, we weren't using it as much before COVID and that since then, we have been using it. Ms. Sabori asked if participation had gone up. Ms. Posada responded that it is being used well, but not as much as during COVID. Ms. Posada stated that it is seasonal and can bring a report, but it will be seasonal. Ms. Posada stated she sees more Zoom and teleconference. She said where it is not being utilized is dermatology and weight loss. Ms. Posada stated that it does take a couple of years, and once one person tells another person and another person and so on. Ms. Posada continued with a brief discussion on Telehealth.

MINUTES APPROVED BY MEMBERS

DATE: 05/04/2023

MINUTE TAKER s/J. Taylor

MOTION: Chairman De La Hoya and Secretary Sabori approve the Blue Cross / Blue Shield 2-year contract as presented. **Motion passed unanimously.**

The vote was as follows:

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| Chairman De La Hoya | Aye |
| Secretary Maria Sabori | Aye |
| Board member Gustavo MacGrew | Aye |

MOTION: Chairman De La Hoya and Board member Gustavo MacGrew approve the \$18,000.00 budget for the Wellness Program from the Trust reserves. **Motion passed unanimously.**

The vote was as follows:

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| Board member Gustavo MacGrew | Aye |
| Secretary Maria Sabori | Aye |
| Chairman De La Hoya | Aye |

3.C. Discussion and possible action on any and all matters regarding the Benefits Third Party Administrator (Susan Posada, Benefits Consultant)

Ms. Posada discussed going out to bid for a new Third Party Administrator and presented a PowerPoint to show the difference in pricing and what that included. Ms. Posada is recommending HealthComp as the new TPA for a total cost of \$118,641.33. This is for a three-year contract and a maximum of a three percent increase.

Chairman De La Hoya asked what we were basing it on the customer service, and Ms. Posada replied and the cost.

Ms. Sabori asked Ms. Posada if we were going to discuss the enrollment process because that would be a big issue and would be something we need. Ms. Posada responded yes, and that she had it handled.

Ms. Posada discussed enrollment and Employee Navigation, a company that handles enrollment with an annual cost of \$6,030.00. Ms. Posada also stated that she would be attending training that could possibly remove the implementation fee of \$2,750.00. Ms. Posada answered questions regarding support and believed we could get this done with Employee Navigation.

Secretary Sabori asked how will the information be merged. Ms. Posada replied that she would try and get the census from 90 degrees and upload them to the new system. They will help with that because that is a difficult process.

Chairman De La Hoya asked if Healthcomp is going to be able to process our claims from Mexico. Ms. Posada replied yes, which would not affect our current agreement with Siarmed. The chairman also asked when the Siarmed contract was due, and Ms. Posada stated June 30th. And should be approved by the next meeting.

MINUTES APPROVED BY MEMBERS

DATE: 05/04/2023

MINUTE TAKER s/J. Taylor

Motion: Secretary Maria Sabori and Board member Gustavo MacGrew approve Healthcomp as the Third Party Administrator (TPA) for the City of San Luis benefit plan.
Motion passed unanimously.


The vote was as follows:

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| Board member Gustavo MacGrew | Aye |
| Secretary Maria Sabori | Aye |
| Chairman De La Hoya | Aye |

3. ADJOURNMENT

Chairman De La Hoya adjourned the meeting at approximately 5:16 PM.

APPROVED:

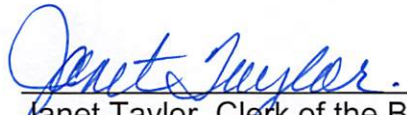

Tadeo De La Hoya, Chairman

ATTEST:


Janet Taylor, Clerk of the Board

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Meeting of the Employee Benefits Trust of the City of San Luis, Arizona, held on April 5, 2023. I further certify that the meeting was duly called and held and that a quorum was present.


Janet Taylor, Clerk of the Board