

ARIZONA LOCAL GOVERNMENT EMPLOYEE BENEFIT TRUST

Minutes of Telephonic Board of Trustees Meeting

FINAL

Thursday, July 16, 2015

3:00 p.m.

Trustees Present:

Terry Cooper Graham County (Chairman)
Kay Gale, Greenlee County
Delwin Wengert, Apache County
Don McDaniel, Gila County
Carlos Rivera, Santa Cruz County

Others Present:

Jacque Griffin, Gila County
Penny Adams, CSA
Cindy Norris-Blake, Graham County
Michael Hensley; Jones, Skelton, & Hochuli
Erin Collins, ECA

1. Call to Order

The meeting was called to order at 3:00 p.m. by Chairman, Terry Cooper.

2. Approval of Meeting Minutes

Terry Cooper noted that the minutes of the February 13, 2015 meeting incorrectly stated the meeting started at 7:52 a.m. The minutes should reflect the actual start time of 8:00 a.m. Erin Collins noted that the Chair also pointed out the absence of Executive Session minutes for the February 13 meeting. Erin Collins stated that ECA staff would research this item and also confirm that all prior Executive Session minutes for the previous year had been duly approved. Delwin Wengert moved to approve the minutes as presented with the exception of correcting the start time of the February 13 meeting to 8:00 a.m. Kay Gale seconded the motion. **The motion was approved 5-0.**

3. Approval of Trust Financials

Erin Collins summarized the results as of May 31, 2015. Erin noted that the Trust is showing a positive cash position of \$405,747 as of that date with roughly another \$316,000 in outstanding stop-loss recoveries being pursued by Gilsbar. Erin explained that an early read on June's results points toward ending the year in the black, with that subject to the final reports from the claims administrator. Erin also noted the significant reduction in expenditures for out of network fees through the end of May and compared with full year results under the prior TPA (Meritain). Erin credited this to caps negotiated in how these fees are calculate through Gilsbar and estimated a savings in the range of \$250,000 annually.

Kay Gale made a motion to approve the financials as presented. Don McDaniel seconded the motion. **The motion was approved 5-0.**

4. Stop-Loss Renewal

Erin Collins reviewed the stop-loss renewal for 2015-16 at +6% over expiring and noted the terms were quite favorable relative to the budgeted projection of +20%. Erin clarified that the Trustees had previously authorized the Chairperson to bind the renewal subject to approval by the Trustees after the fact.

Kay Gale made a motion to approve the stop-loss renewal as presented. Delwin Wengert seconded the motion. **The motion was approved 5-0.**

5. Re-distribution of Stop-Loss Savings Dollars

Erin Collins referred to the memo in the meeting packet explaining that the savings on stop-loss is sufficient to offset the Rx claims funding factor deficiency addressed in the May 29 meeting as well as the difference in Vision claims administration services and still allow additional money to be moved into the General Administration line item. Erin requested that the Trustees authorize reallocation of the involved dollars as outlined in the memo.

Delwin Wengert made a motion to approve the redistribution as presented. Kay Gale seconded the motion. **The motion was approved 5-0.**

6. CLJ Ownership Change to KTZ Enterprises Effective July 1, 2015

Erin Collins explained that CLJ, owned by Robert Montierth and providing Diabetes disease state management services to the Trust had been purchased by Kristen Davison and this would necessitate a change in the contract to effect that change. Mike Hensley explained that the Trustees needed to approve the assignment of the current contract obligation from CLJ to KTZ based upon the language of the current contract. Mike also stated the Trustees needed to decide whether to merely approve the assignment/ amendment of the existing contract or enter a new contract with the new entity, for a one year term with up to four, one year, automatic renewals. Erin Collins stated the staff's recommendation was a new agreement with KTZ for one year with options to renew for four additional years. This recommendation was made in order to allow AZLGEBT to have continuity of the data between providers.

Don McDaniel made a motion to approve the assignment of the contract obligation to KTZ and to enter a new one year contract with up to 4 one-year automatic renewals, subject to standard elections to not renew at the end of each year. Delwin Wengert seconded the motion. **The motion was approved 5-0.**

7. Administrative Update

Erin Collins advised the Trustees that all needed accounts had been opened at Welles Fargo and Claremont Capital to establish the Trust's investment account and that \$10,000,000 had been transferred to open the investment account. Erin also advised the Trustees that, at a future face-to-face meeting, representatives of Navitus will provide an in-depth look at the underlying claims costs driving the Rx claims to exceed the budget by 20% +/- . Finally, and at the request of the Chairperson, Erin advised the Trustees that Cindy Norris-Blake of Graham County had discovered an error in the Gilsbar billing for July. It appears that the Vision and STD administration charges have been double billed. ECA is awaiting clarification from Gilsbar if the counties are to pay the billed amount or if Gilsbar will be sending a revised bill. Erin will advise the Trustees as soon as she has a response from Gilsbar.

Call to the Public

There was no response to the Call to the Public.

8. Adjournment

Kay Gale made a motion to adjourn. Carlos Rivera seconded.

The meeting was adjourned at 3:25 p.m.

Respectfully submitted,

Amanda Weaver
Group Benefits Specialist