



ARIZONA LOCAL GOVERNMENT EMPLOYEE BENEFIT TRUST

Minutes of Telephonic Board of Trustees Quarterly Meeting

DRAFT

Wednesday, November 18, 2020

1:30 p.m.

The following Trustees were present and a quorum was met:

Ryan Patterson, Chairperson	Apache County
Dustin Welker	Graham County
Derek Rapier	Greenlee County
Ron Drake	La Paz County

The following Alternate Trustees were present:

Jacque Sanders, Vice-Chairperson	Gila County
Stephanie McCarthy	Apache County
Cindy Norris-Blake	Graham County
Austin Adams	Greenlee County
Mary Frantz	La Paz County
Sonia Jones	Santa Cruz County

The following Vendors were present:

Mike Hensley	Jones, Skelton, & Hochuli, P.L.C.
Mike Schionning	Cheiron, Inc.
Erin Collins	ECA, Inc.; A Gallagher Company
Missy Jenson	ECA, Inc.; A Gallagher Company
Amanda Weaver	ECA, Inc.; A Gallagher Company

The following Guests were present:

Tanya Baertsch	Integrated Behavioral Health
Dr. Brian Mayhugh	Integrated Behavioral Health

1. Call to Order

The meeting was called to order at 1:33 p.m. by Chairperson, Ryan Patterson.

2. Roll Call

Amanda Weaver took roll call and noted a quorum was met.

Consent Agenda

3. Discussion, Consideration of and Possible Action Regarding Approval of the Investment Committee Meeting and the AZLGEBT Quarterly Trust Meeting Minutes for August 21, 2020

4. Discussion, Consideration of and Possible Action Regarding Approval of Financial Results Through September 30, 2020

5. Discussion, Consideration of and Possible Action Regarding Approval of Investment Results through October 31, 2020

Ryan Patterson asked for a motion to approve the Consent Agenda.

Jacque Sanders moved to approve the Consent Agenda. The motion was seconded by Ron Drake.

The motion was approved 6-0.

Regular Agenda

6. Wellness Update

Missy Jenson provided an overview of the dates and participation of the following Wellness Screenings:

1. Skin Cancer Screenings
2. Cardiac and Organ Screenings
3. Mammograms
4. Prostate Cancer Screenings
5. Flu and Pneumonia Vaccinations
6. Health Risk Assessment

Missy also provided an update and participation numbers of the Livongo Program, which addresses diabetes, hypertension, pre-diabetes and weight management.

Trustees were also notified that the letters for the two members affected by the cost share waiver issue had been notified by letter as directed by legal counsel and approved by Trustees at the August 21, 2020 meeting.

7. Discussion, Consideration of and Possible Action Regarding Subsidized Devices

Missy Jenson informed Trustees that ECA/Gallagher was notified that Fitbit will stop production of devices without the heart rate feature, which includes the Fitbit that AZLGEBT currently subsidizes, Fitbit Inspire. With transitioning from the Fitbit Portal to MoveSpring, AZLGEBT will be working with iRedeemHealth to administer the subsidized devices, which provided the option of the Garmin Vivofit 4 to be fully covered at the same cost as the Fitbit Inspire.

Effective January 01, 2021 the Gamin Vivofit 4 will replace the Fitbit Inspire as the subsidized device through AZLGEBT.

No motion necessary.

8. Discussion, Consideration of and Possible Action Regarding Coronavirus/COVID-19 Temporary Benefit Changes Extension

Erin Collins reminded Trustees of the following changes that were put in place effective March 25, 2020, which are set to expire December 31, 2020:

1. Waive all cost shares for COVID **testing** regardless of source (ER, Doctor's office, urgent care, etc.) for both PPO and HDHP and both in and out-of-network through June 30, 2021.
2. Waive all costs shares for Teladoc services for both PPO and HDHP through June 30, 2021.

Erin explained that neither Arizona nor the federal government has provided direction on whether

plans will be required to extend these benefit changes. With this in mind, ECA/Gallagher is asking Trustees to authorize the Chairperson to approve and/or extend these changes, plus any other federal or state mandates, through a period not to exceed June 30, 2021. ECA is further requesting that the Chairperson be authorized to execute any needed paperwork implementing them, subject to retroactive approval by the Trustees at the next regular or special meeting of the Trust.

Dustin Welker made a motion to approve authorizing the Chairperson to approve and/or extend these and any other federal or state mandates through a period not to exceed June 30, 2021, subject to retroactive approval by the Trustees at the next regular or special meeting of the Trust.

Jacque Sanders seconded the motion.

The motion was approved 6-0.

9. Discussion, Consideration of and Possible Action Regarding Approval of the 2019-2020 AZLGEBT Surplus/Deficit Allocation Detail Report

Erin provided an explanation on how the financial surpluses and deficits are calculated and distributed among the members on a monthly basis and also allows for the opportunity for the Trust to offer Premium Holidays. Erin noted that the methodology has remain unchanged since the Trust was formed and includes no loss sensitivity. The methodology is:

1. Each entity pays their monthly premium.
2. The entity's net contribution is determined by subtracting the life insurance premium.
3. Each entity's net contribution is calculated on a percentage of the whole. This percentage changes from month to month.
4. ECA calculates the Trust's monthly net surplus/deficit by subtracting claims and administration expenses from income.
5. The surplus and/or deficit for the month is allocated to each participating entity in an amount equal to the net premium deposit percentage for each entity.
6. Interest income for the month is allocated in an amount equal to each entity's cumulative cash percentage as compared to the whole.

Erin asked Trustees to approve the report as presented.

Ryan Patterson asked for a motion. Ron Drake moved to approve the 2019-2020 Surplus/Deficit report as presented and Derek Rapier seconded.

The motion was approved 6-0.

10. Discussion, Consideration of Possible Action Regarding the Offering of Premium Holidays

Erin Collins reminded Trustees that this request came from Santa Cruz County and was discussed at the May 21, 2020 Trust Meeting. At that time, it was voted that the option be brought back to Trustees once the 2019-2020 Surplus/Deficit had been finalized. Erin provided an overview of the calculations and the process if Trustees choose to move forward with the offering. As of June 30, 2019, the Trust's unaudited surplus position was \$12,993,991. Traditionally, the Trust's Actuary recommends that the Trust have 5.5 months of expenses in financial reserves available in addition to the IBNP; for 2020-2021 this calculates to \$9,558,641. This provides the Trust \$3,435,351 for possible Premium Holidays. ECA/Gallagher's conservative recommendation if Trustees move forward would be to utilize 50% for Premium Holidays which is approximately

\$1,717,675. Erin also stated that if approved, only the entities that wish to use the Premium Holiday can elect to take the offering and that it would need to be taken within the current Plan Year by June 30, 2021.

Ryan Patterson asked for a motion regarding the offering of Premium Holidays. Derek Rapier made a motion to approve the Premium Holiday at the calculated surplus during the 2020-2021 Fiscal Year. Dustin Welker seconded the motion.

Ryan asked if there was any further discussion. Ron Drake asked Derek if his intent was to approve the offering at 50% of the surplus calculation rather than the 75% or 100%. Derek verified that was his intent.

Ryan asked for all those in favor and any opposed. Ron Drake stated he was opposed.

The motion was approved 5-1.

11. Discussion, Consideration of and Possible Action Regarding Early Termination of the Contract for Employee Assistance Program (EAP)/Mental Health and Substance Abuse Services with Holman Effective December 31, 2020

Erin Collins notified Trustees that, due to the amount of ongoing and unresolved service issues members have encountered with the current provider of EAP, Mental Health and Substance Abuse and HB 2350/2502 Case Management Services, ECA/Gallagher reached out to Holman and it was agreed by both parties to terminate the contract effective December 31, 2020 without penalties. ECA is recommending Trustees approve that early termination.

Ryan Patterson requested a motion. Ron Drake made a motion to approve early cancellation/termination of the agreement with Holman for Employee Assistance Program (EAP)/Mental Health and Substance Abuse and HB 2350/2502 services Effective 12/31/2020 and direct ECA to work with Mike Hensley and the Chairperson to complete and sign any necessary paperwork to effect the cancellation. Jacque Sanders seconded the motion.

The motion was approved 6-0.

12. Discussion, Consideration of and Possible Action Regarding Award of Employee Assistance Program (EAP)/Mental Health and Substance Abuse Services Contract Effective January 01, 2021

ECA/Gallagher completed a Request for Proposals (RFP) process for a replacement vendor to replace Holman for the following services:

1. Employee Assistance Program (EAP)
2. Mental Health/Substance Abuse Case Management (MH/SA CM)
3. HB 2350/2502 (First Responder/PTSD) Services (2350/2502)

The RFP was sent to five vendors with responses received from all.

Organization

Services Proposed

- | | |
|---------------------------------------|-----------------------|
| 1. Accessible Behavioral Care, LLC | MH/SA CM, HB2350/2502 |
| 2. Jorgenson Brooks Group | All |
| 3. Curalinc | EAP, HB 2350/2502 |
| 4. Alliance Work Partners (AWP) | All |
| 5. Integrated Behavioral Health (IBH) | All |

After review of the responses, three were selected for interview.

- Alliance Work Partners (AWP)
- Curalinc
- Integrated Behavioral Health (IBH)

Based on the results of the interview, ECA/Gallagher's recommendation was to award the business to Integrated Behavioral Health for their basic EAP services with a universal six (6) visit per person, per issue, per year benefit as compared to the current three (3) visit benefit. The recommendation was made based on the following:

1. IBH had the best overall technology, including telephone, app and visualized options as well as in-person.
2. IBH had a much more clearly defined process to move participants needing higher levels of care than are available through the EAP into a Case Management model for either or both mental health and substance abuse; and
3. Similarly, IBH had a much more integrated approach to managing initial and ongoing HB 2350/2502 (first responder PTSD) cases through the statutory process.

Erin also discussed with Trustees the following, noting some anticipated issues with switching providers mid-year:

- A. As regards the recommendation to move to a six-visit model in light of anticipated additional needs arising from COVID, this will involve an estimated additional annual impact of \$13,159 (\$6,580 for the remainder of this fiscal/benefit year). The additional dollars will be added to the renewal for the 2021-22 plan year.
- B. Bringing IBH online on January 01, 2021 is expected to be a bumpy transition due to short timelines and the complexity of the transition, including at least:
 - a. Distributing information to employees about the change
 - b. Transitioning participants currently receiving services, potentially including switching provide
 - c. Re-carding all members to remove Holman and replace their logo and information with IBH's
 - d. Educating AZLGEBT Human Resources and managerial providers on how to access IBH's services
 - e. Coordinate IBH with AHG and AmeriBen
- C. AZLGEBT will continue to pay Mental Health and Substance abuse Case Management charges from the medical line item.
- D. AZLGEBT member entities will continue to pay the costs of any HB 2350/2502 first-responder services beyond the six visit EAP benefit.
- E. AZLGEBT members will continue to pay the costs associated with Critical Incident services
- F. AZLGEBT members will continue to pay the costs of any training not included in the basic EAP contract.

Erin stated that ECA/Gallagher, IBH, AmeriBen, and AHG will work diligently to make the transition as smooth as possible.

Ryan Patterson asked for a motion. Ron Drake made a motion to move to award the agreement for Employee Assistance Program (EAP)/Mental Health and Substance Abuse and HB 2350/2502 Services to Integrated Behavioral Health effective 01/01/2021 as recommended by staff and direct the ECA to work with the Trust Chairperson and legal counsel to negotiate and execute any agreements, plan amendments and other instruments needed to do so. Derek Rapier seconded the motion.

The motion was approved 6-0.

13. Discussion, Consideration of and Possible Action Regarding Approval of the 2020-2021 Risk Management Plan (RMP)

Erin Collins began by noting that attached was a draft copy of the 2020-2021 Risk Management Plan for the AZLGEBT. The document outlines the history of the Trust, the organizational structure, previous year's financial performance, benefit offerings and changes, and work goals for the upcoming Plan year.

Ryan Patterson asked for a motion to accept the 2020-2021 Risk Management Plan. Jacque Sanders motioned to accept the Risk Management Plan as presented and Dustin Welker seconded the motion.

The motion was approved 6-0.

14. Administrative Update

Erin Collins gave a brief overview of the following items to Trustees:

- Medicare D Letters – Prior to October 15th, AmeriBen sent letters to each covered Employee outlining if the Plan they are on is credible or non-credible for purposes of Medicare D.
- 2021-2022 Benefits/Additional Products to Price Out – ECA/Gallagher asked entities to reach out to propose any benefit changes and/or additional products to be priced out by the Actuary and to be added to the discussion 2021-2022 AZLGEBT Annual Conference for possible consideration.
- AZLGEBT Website – The new website design is complete. ECA/Gallagher asked that entities go to www.azlgebt.com and provide any suggestion and/or changes.
- AZLGEBT Annual Conference – Trustees were reminded that the conference is scheduled February 3-5, 2021 at the Rancho de los Caballeros in Wickenburg, Arizona. ECA/Gallagher has been working to verify all necessary precautions take place due to COVID-19, along with social distancing. Trustees will be updated as the conference gets closer.

15. Next Meeting Date – AZLGEBT Annual Conference; Wednesday, February 3 – Friday, February 5, 2021

16. Call to the Public

There was no response to the Call to the Public

17. Adjournment

Ryan Patterson made a motion to adjourn at 2:09 p.m.

Respectfully submitted,

ECA, Inc.; A Gallagher Company
Amanda Weaver
Account Manager, Senior