



**ARIZONA LOCAL GOVERNMENT EMPLOYEE BENEFIT TRUST**

**Minutes of Telephonic Board of Trustees Quarterly Meeting**

**FINAL**

**Tuesday, December 05, 2023**

**1:30 p.m.**

**The following Trustees were present and a quorum was met:**

Ryan Patterson, Chairperson	Apache County
Megan Spielman, Vice-Chairperson	La Paz County
James Menlove, Treasurer	Gila County
Dustin Welker	Graham County
Derek Rapier	Greenlee County

**The following Alternate Trustees were present:**

Stephanie McCarthy	Apache County
Cindy Norris-Blake	Graham County
Austin Adams	Greenlee County
Mauricio Chavez	Santa Cruz County

**The following Vendors were present:**

Mike Hensley	Jones, Skelton, & Hochuli, P.L.C.
John Hatz	Gallagher
Tori Hudson	Gallagher
Amanda Weaver	Gallagher
Jake Goll	Navitus
Lisa Thompson	Navitus

**The following Guests were present:**

Erik Masingill	Arizona Counties Insurance Pool
Susan Strickler	Arizona Counties Insurance Pool
Penny Adams	County Supervisors Association

**1. Call to Order**

The meeting was called to order at 1:30 p.m. by Chairperson, Ryan Patterson.

**2. Roll Call**

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

**3. Discussion, Consideration of and Possible Action Regarding Approval of Request for Member Benefit Exception**

John Hatz explained that a Member of Arizona Local Government Employee Benefit Trust was requesting an exception for a non-formulary drug to be covered at the in-network level for their diagnosis. John explained that if Trustees had questions and needed to discuss with Trust Legal

Counsel than they could move into Executive Session and that Navitus, Plan Prescription Benefit Manager, was also on the call to answer any questions Trustees might have.

The Member requested to be heard in Open Session and provided an overview of the request to Trustees.

Ryan Patterson requested that Trustees move into Executive Session. James Menlove made a motion to move into Executive Session at 1:38 p.m. and Megan Spielman seconded. Motion passed unanimously.

Mike Hensley, Trust Legal Counsel, noted that only Trustees and Alternate Trustees should be on the call as to not violate ARS Sec. 38-431.03(A)(2).

Trustees discussed with Trust Legal Counsel and felt comfortable to move out of Executive Session into Open Session.

James Menlove made a motion to move out of Executive Session into Open Session at 1:53 p.m. Megan Spielman seconded the motion. Motion passed unanimously.

Trustees asked additional questions of Navitus and the Member.

Ryan Patterson asked whether Trustees would like to make a motion. James Menlove made a motion to deny the Request for Exception. Dustin Welker seconded. It was also requested that Trustees have an opportunity to discuss covering Ozempic for pre-diabetes at the 2024 Annual Conference. Motion passed unanimously.

Stephanie McCarthy joined meeting during this agenda item. Derek Rapier left meeting during this agenda item.

**The motion was approved 6-0.**

#### **4. Discussion, Consideration of and Possible Action Regarding Approval of the August 22, 2023 Investment Committee Meeting Minutes and Trust Meeting Minutes**

Ryan Patterson asked for a motion to approve the August 22, 2023 Draft Investment Committee and Trust Meeting Minutes and confirmed with Amanda Weaver that there were no requested changes. James Menlove made a motion to approve the Draft Investment Committee and Trust Meeting Minutes as presented. Austin Adams seconded. Motion passed unanimously.

**The motion was approved 6-0.**

#### **5. Discussion, Consideration of and Possible Action Regarding Approval of Investment Results through October 31, 2023**

John Hatz stated that as discussed in the Investment Committee Meeting held prior to the Trust Meeting, Patrick Kohnen from Claremont Capital stated that the market was turning around and that both Equities and Bonds were up.

Megan Spielman moved to approve the Investment Committee results through October 31, 2023 as presented. The motion was seconded by Dustin Welker. Motion passed unanimously.

**The motion was approved 6-0.**

## **6. Discussion, Consideration of and Possible Action Regarding Approval of Financial Results Through October 31, 2023**

Amanda Weaver provided Trustees with an overview of the Trust financials ending October 31, 2023, letting Trustees know that the cash position was at \$16,137,645. Taking into account the Actuary's Incurred But Not Paid (IBNP) liability of \$2,466,719, the Trust reported an estimated surplus position of \$13,670,926. Amanda also noted the Year-to-date showed a gain of \$840,998.

Amanda also provided an overview of the large cases informing Trustees that as of the end of October there was one Large Claimant totaling \$160,106, which is less than the \$275,000 Specific Deductible and \$100,000 Aggregating Specific Deductible; therefore, no reimbursement is due at this time.

Amanda Weaver noted the Plan was running well and reminded Trustees that a motion to approve the financials as presented was needed.

James Menlove made a motion to approve the financials through October 31, 2022 as presented. Megan Spielman seconded the motion. Motion passed unanimously.

**The motion was approved 6-0.**

## **7. Wellness Update**

Tori Hudson introduced herself and let Trustees know that she was the new Wellness Coordinator. Tori noted that the following screenings were held and participation of each entity was as outlined in the memo.

Cardiac and Organ Screening  
Skin Cancer Screening  
Prostate Onsite Project  
Flu Vaccinations  
Mammography Screening

Tori reviewed was the Livongo Program which has great participation and is running well.

An overview of the Vitality Platform was provided outlining enrollment and program status. Tori reminded Trustees that Members now have access to the Vitality Mall which allows for more choice in using Vitality Bucks.

No action needed.

## **8. Discussion, Consideration of and Possible Action Regarding Approval of the 2023-2024 Risk Management Plan (RMP)**

John Hatz began by noting that attached was a draft copy of the 2023-2024 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.

1. Continued to monitoring and evaluating of the Mexico Network
2. Request for Proposal for Benefit Enrollment Portal and ACA Reporting Services
3. Plan Benefit Analysis
4. Research Voluntary Benefit Options
5. Request for Proposal for Patient Advocacy Services
6. Research Dependent Eligibility Audit Services

7. Stop Loss Shopping
8. Trustee Annual Educational/Renewal Meeting
9. Trust Membership Renewals
10. Continued Monitoring of Engagement in the Livongo Whole Person Solution to Eligible Population
11. Wellness Program Portal

Ryan Patterson asked for a motion to accept the 2023-2024 Risk Management Plan. Megan Spielman motioned to accept the Risk Management Plan as presented and Dustin Welker seconded the motion. Motion passed unanimously.

**The motion was approved 6-0.**

## **9. Discussion, Consideration of and Possible Action Regarding 2024-2025 Renewal Meeting Format**

John Hatz began the discussion that we are always looking for ways to help balance the duties of fiduciaries to understand the operations of the Trust against overwhelming Trustees with so much information that it is not an effective use of time. Gallagher tried the following with another client and received very positive feedback:

1. Splitting the work session packet into two parts:
  - a. An Executive Summary packet with transmittal memos and vendor PowerPoint presentations; and
  - b. The detail packet with the full reports from each vendor.
2. Including in the Executive Summary packet a single sheet/page with the current rates and three pre-priced exemplar options:
  - a. The “no changes” rates assuming the current benefits and only those changes mandated by law;
  - b. A Middle Ground with a handful of suggested changes; and
  - c. A Aggressive Option with more substantial changes (presumably, benefit cuts to offset increases)
3. Add an additional screen to ease viewing and encourage participation by attendees
4. Depending on room size, Set the room up with rounds rather than U-Shape

Trustees discussed that they prefer a U-Shape for the setup as they feel it allows for them to see everyone during discussions. Gallagher also clarified that although benefit options are provided as in previous years, Trustees always have the opportunity to request different scenarios of benefit options and pricing. Gallagher provides the benefit options as a starting point and that ultimately the decisions are made by Trustees as to what is best for the Members and Plan.

Gallagher also asked for direction on the following past practices.

- a. In the past, the Trust has allowed and paid for each Entity to bring three (3) representatives; Trustee, Alternate and Human Resources or other departmental representative.
- b. Spouses have historically been welcome to join and attend all meals. When filling out attendance forms, participants are requested to state the meals the Spouses will be attending when providing their RSVP. The meals are set prior to the meeting and a count is provided prior to arrival; therefore, if there is a last-minute change in plans the Trust is still charged if the guest(s) did not attend.
- c. Due to the cost of the conference and with it being a work event, the Trust has previously elected not to allow children to attend the conference or meals.

- d. The rooms, meals, and parking are paid by the Trust. In the past, if Trustees chose not to attend the meals, they were asked to not charge room service to the Trust.
- e. The Trust has previously paid for the sleeping room for Trustees and Alternate Trustees stay an additional night, usually Friday. We will have Trust Legal Counsel provide direction on this part of the discussion.

Trustees agreed to keep all practices in place.

Ryan Patterson asked for a motion to approve the discussed Renewal Meeting format for the upcoming Plan Year. James Menlove made a motion to approve. Dustin Welker seconded the motion. Motion passed unanimously.

**The motion was approved 6-0**

## **10. Administrative Update**

Amanda Weaver gave a brief overview of the following items to Trustees:

- Medicare D Letters – Letters sent out by AmeriBen in October to inform member if the Plan they are enrolled under is credible or non-credible. All Plans are credible.
- Benefit Enrollment Portal Request for Proposal (RFP) – By the date of this meeting, the Committee will have reviewed the results and chosen finalists to provide demos. A Special trust Meeting will be held in December or January for Trustees to award the contract.
- Future Terminations – Due to Employees moving between entities, it is easier to move and elect coverage when the current entity does not add a future termination date into the SmartBen Portal. Add the date into the Termination Date field and the system will allow benefits to term and the benefits can transition over to the new entity without a gap in coverage.
- Life Conversion & Portability Coverage – Reminder when Members voluntarily or involuntarily term from the Plan, HR should be providing information that the coverage may be able to continue outside of group coverage if handled within 31 days.
- Qualifying Life Event – When approving Qualifying Life Events from the SmartBen Portal, change the effective date to the date of marriage or birth.
- AZLGEBT Annual Conference – Conference is scheduled for February 14 – February 16, 2024.

**11. Next Meeting Date** – AZLGEBT Annual Conference; February 14 – February 16, 2024.  
in Scottsdale, Arizona.

## **12. Call to the Public**

There was no response to the Call to the Public

## **13. Adjournment**

Ryan Patterson made a motion to adjourn at 2:37 p.m.

Respectfully submitted,

*Amanda R Weaver*

Gallagher;  
Amanda Weaver  
Senior Account Manager