



ARIZONA LOCAL GOVERNMENT EMPLOYEE BENEFIT TRUST
Minutes of Telephonic Board of Trustees Quarterly Meeting

FINAL
Tuesday, June 04, 2024
1:30 p.m.

The following Trustees were present and a quorum was met:

James Menlove	Gila County
Dustin Welker	Graham County
Derek Rapier	Greenlee County

The following Alternate Trustees were present:

Rick Husk	Gila County
Juliana Demers	La Paz County
Mauricio Chavez	Santa Cruz County

The following Vendors were present:

John Hatz	Gallagher
Tori Hudson	Gallagher
Amanda Weaver	Gallagher
Mike Hensley	Jones, Skelton, & Hochuli, P.L.C.

The following Guests were present:

Erik Masingill	Arizona Counties Insurance Pool
Penny Adams	County Supervisors Association

1. Call to Order

The meeting was called to order at 1:35 p.m. by Acting Chairman Derek Rapier

2. Roll Call

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

3. Discussion, Consideration of and Possible Action Regarding Approval of the December 05, 2023 Investment Committee Meeting Minutes and the April 25, 2024 Special Trust Meeting Minutes

Derek Rapier requested a motion to approve the meeting minutes. Rick Husk made a motion to approve the meeting minutes as presented. Juliana Demers seconded the motion.

The motion was approved 5-0.

4. Discussion, Consideration of and Possible Action Regarding Approval of Investment Results through April 30, 2024

Derek Rapier noted that the Investment Committee Meeting was canceled due to a quorum not met. Item was tabled.

5. Discussion, Consideration of and Possible Action Regarding Approval of Financial Results Through April 30, 2024

Amanda Weaver discussed with Trustees that in reviewing the April 2024 financials the Trust is showing a gain of \$1,996,094. Medical, Prescription, Dental and Vision were all running well within budget. In regard to Stop Loss, there are 16 Large Claimants and two have exceeded the Specific Deductible and Aggregating Specific Deductible by \$3,764. Amanda let Trustees know that the Trust is running well.

Derek Rapier asked for a motion. Juliana Demers made a motion to approve the financials through April 30, 2024 as presented and Rick Husk seconded.

The motion was approved 5-0.

6. Discussion, Consideration of and Possible Action Regarding Biosimilar Rebate Substitution

Mike Hensley, Trust Legal Counsel, discussed with Trustees that Navitus has informed Gallagher that effective January 1, 2024 that the rebate guarantee calculations under the current agreement will no longer apply as they relate to Humira biosimilars and insulin covered products, and the rebate substitution methodology outlined in the attached letter will be used instead. It was confirmed that this would not change the rebate guarantees currently in the contract and Navitus is adjusting the way they reconcile the rebate guarantees to account for biosimilar utilization. It is estimated that the Trust should realize cost savings as a result of biosimilar utilization that offset any rebates that would have been received associated with Humira and insulin.

Dustin Welker joined the meeting.

No motion was needed.

7. Discussion, Consideration of and Possible Action Regarding Authority for Consultants to Resolve Subrogation Matters

Mike Hensley, Trust Legal Counsel, noted that this item was tabled from the April 25, 2024 meeting. This item is to determine with Trustees whether there was a level of Subrogation resolution Trustees may want to authorize Gallagher to review with Legal Counsel and work to approve with AZLGEBT Chairperson in these types of situations whereas the amount is the most than can be offered and must be approved within a short timeframe as it may be difficult to get a Trust Meeting scheduled timely.

Trustees discussed that it would be best to have the Chairperson and all entities on the call. It was requested a policy be drafted outlining specific language, guidelines and thresholds and brought back to the next Trust Meeting.

8. Wellness Update

Tori Hudson provided an overview of entity participation for the Health Risk Assessment Screening and reminded Trustees of the upcoming screenings:

Skin Cancer

Cardiac & Organ

Health Heart Blood Draw

Flu Vaccinations

Mammograms

Tori also provided an overview of the Livongo Program noting that participation is still increasing. Entities were also reminded that the Vitality Program was terminated, and Employees must redeem their Vitality Bucks by June 30, 2024. A new process would be put in place to qualify for the premium reduction.

9. Discussion, Consideration of and Possible Action Regarding Ratification of the 2024-2025 Stop-Loss Coverage

John Hatz informed Trustees that this year we did not go out to bid, Gallagher worked with the current carrier, Voya to obtain a quote. Voya proposed a firm quote offering an overall increase of 7.9% with no lasers. A 20% increase was estimated when building the budget; therefore, the 7.9% increase was well under budget. Gallagher worked with the Trust Chairperson to bind coverage with Voya. The savings of \$113,418 was added into the General Admin.

John requested that Trustees ratify the already bound coverage with Voya effective July 01, 2023.

James Menlove joined during this agenda item.

Dustin Welker made a motion to ratify the contract with Voya as presented. James Menlove seconded the motion.

The motion was approved 5-0.

10. Discussion, Consideration of and Possible Action Regarding 2023-2024 Risk Management Plan Work Goals

John Hatz reminded Trustees of the importance of the Risk Management Plan and that it was the history and an ongoing working document for the Trust. Each year Work Goals are outlined on what will be worked on throughout the year. Gallagher outlined the following items:

1. Present a preliminary budget forecast at the December Trust Meeting
2. Plan/Benefit Analysis based on preliminary forecast
3. Continued Monitoring and Evaluation of the Mexico Network
4. Potential Dental and Vision Request for Proposal
5. Monitor and Evaluate the new Enrollment Platform through PlanSource
6. Assist with the implementation of the ACA Reporting through PlanSource
7. Continued Monitoring of Engagement in the Livongo Whole Person Solution to Eligible Population
8. Monitor and evaluate satisfaction with of the new skin cancer screening vendor
9. Review replacement for Wellness Premium Reduction with elimination of Vitality Platform
10. Evaluate potential dental and vision vendors for onsite screenings
11. Conduct the AZLGEBT membership renewal process for Lap Paz County effective July 01, 2024.
12. Stop Loss shopping, if applicable; and
13. Coordination of the Trust's Annual Renewal Meeting.

Trustees were reminded to reach out to Gallagher with any additional Work Goals they would like added. Derek suggested that each entity discuss internally and reach out if there are any additional suggestions to add.

No action was needed.

11. Discussion, Consideration of and Possible Action Regarding AmeriBen Conference Attendance

John Hatz discussed with Trustees that the opportunity to attend the AmeriBen Conference. Dates have not been set; however, Gallagher will reach out when confirmation is received. The following key items were discussed:

1. In the past, Trustees voted that the Trust pay for two attendees from each entity. If a third were to attend, it would be at the cost of the entity.
2. Flights and rental cars to be handled by attendees and then seek reimbursement from the Trust through Gallagher by providing receipts
3. Gallagher to handle Trust attendee hotel stay reservations for the conference
4. If AmeriBen offers to waive the attendance fee, Gallagher does not see an issue as the Trust is not out to bid for services

Trustees that attended last year stated it was a great conference. Gallagher discussed with Trustees questions that have come up in the past and asked for direction. Derek Rapier suggested that the guidelines of each entities Travel Policies are pretty similar. Dustin Welker agreed and noted that they try to follow their internal policy when traveling. Derek requested that each entity send Gallagher their travel policy and Gallagher outline a travel policy for Trustees to review at the next Trust Meeting to determine if it should be implemented

No action was needed,

12. Discussion, Consideration of Possible Action Regarding Approval of the 2022-2023 AZLGEBT Investment Committee and Trust Meeting Schedule

John Hatz presented a draft 2023-2024 Trust meeting schedule to the Trustees as follows:

- Tuesday, September 17, 2024
 - Investment Committee Meeting – 1:00 p.m.
 - Trust Meeting – 1:30 p.m.
- Tuesday, December 10, 2024
 - Investment Committee Meeting – 1:00 p.m.
 - Trust Meeting – 1:30 p.m.
- Annual Conference
 - Wednesday, February 12 – Friday, February 14, 2025
 - Wednesday, February 19 – February 21, 2025
 - Wednesday, February 26 – February 28, 2025
- Tuesday, June 11, 2025
 - Investment Committee Meeting – 1:00 p.m.
 - Trust Meeting – 1:30 p.m.

Trustees discussed and agreed the best date for the Annual Conference would be Wednesday, February 19th – Friday, February 21st. At the last conference it was discussed beginning on Wednesday afternoon to avoid so much information provided in one day. Trustees agreed that would be a great idea.

James Menlove made a motion to approve the 2024-2025 Trust Meeting Schedule as presented with Gallagher working with the location to change the dates of the Annual Conference if possible. Dustin Welker seconded the motion.

The motion was approved 5-0.

13. Administrative Update

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

Open Enrollment - A few reminders:

1. Open Enrollment closed May 31st

- a. If an Employee did not go through Open Enrollment, effective July 1st, the Employee will only be covered under the Employer Paid Benefits and the Employee VTL (if applicable and currently enrolled).
 - b. If the Employee added dependents to be covered and did not provide the appropriate documentation required for dependent eligibility, effective July 1st, the dependents will not have coverage.
- 2. Through June 5th** – Human Resources will need to work to clear everything out of Pending Management. We ask that this process is handled as quickly as possible as the file feed cannot be sent to the appropriate vendors with Open Enrollment information until Pending Management is cleared out. Thus, failure of every entity to clean out Pending Management will hold up the process for all AZLGEBT entities.
- 3. June 6th to June 30th** – All vendors have to be made aware of any New Hire Enrollments, Qualifying Events, Terminations or changes made in the PlanSource portal as this is the blackout period. Files will not be sent during this timeframe. Please add the information in PlanSource and send the Confirmation to Amanda Weaver and I will send to the appropriate vendors.

Dependent Verification – Employees must provide the proper documentation to cover eligible dependents within the appropriate timeframes. A question did come up regarding Guardianship Documents. Although Biological, step, adopted children can be covered up to age 26, that is not the case with most Guardianship cases. Guardianship terms may vary depending on if the order is permanent or temporary. PlanSource does not have the capability to build Guardianship terms in their system as it varies. Although it is the Employees responsibility to notify their Employer of changes, it is also the responsibility of the entity to not enroll or allow continued coverage for Employees and dependents that are not eligible. Entities will need to term the dependent as per the date outlined in the document or request updated documents to determine if the guardianship has been extended.

Short Term Disability, Basic Life & Voluntary Term Life & Medical/Dental & Vision - A few reminders:

1. All Benefit Eligible Employees **MUST** be enrolled in the Short-Term Disability and Basic Employer Paid Life even if waiving additional coverages, with the exception of Elected Officials who do not qualify for the Short Term Disability.
2. Employer Paid Dependent Life – if an Employee is covering their spouse/dependents on the medical, the Dependent Paid Life must be elected. If an Employee is not covering their spouse/dependents, this benefit is optional.
3. Dual Employees – Please remember that if your entity employs spouses and/or dependents who are covered under their spouse's/parent's dependent coverage, they can only be covered under the Employee coverages for Basic and Voluntary Term Life. They may not also be covered under the Spouse or Child Life coverages. This is prohibited under the terms of the Life policies as duplicate coverage. This also includes married Employees that both work at an AZLGEBT entity.
4. Married Employees and Parent/Child both employed by an entity of AZLGEBT cannot be covered as an Employee and Dependent under Medical, Dental, and Vision.

If you have any Employees that may fall under any of the scenarios above, please audit and correct in the system and notify Amanda.

Voluntary Term Life (VTL) – Age Band Report –With this being an Active Open Enrollment an Age Band Report will not be provided this year as all correct premiums are outlined on the confirmation sheets.

Voluntary Term Life (VTL) – Evidence of Insurability – Gallagher worked with Ochs/Securian to provide a spreadsheet showing current coverages vs. requested amounts for underwriting. Members will begin to receive approvals/denials in late June/early July. The notifications will outline an effective date of when the coverage/premiums will go into effect.

PlanSource ACA Reporting – Once Open Enrollment closes, PlanSource will be reaching out to begin the ACA Reporting process which includes integration of payroll systems, tracking of hours for measurement period, file uploads, etc.

Personal Health Information (PHI) - When sending claims issues or any information that includes PHI, this must be sent in a secure fashion. If you are unable to send secure, please fax the information or reach out to Gallagher and we can send you a secure email to respond to and include the information

14. Next Meeting Date – AZLGEBT Quarterly Trust Meeting – Tuesday, September 17, 2024 at 1:30 p.m.

15. Call to the Public

There was no response to the Call to the Public

16. Adjournment

Ryan Patterson made a motion to adjourn at 2:27 p.m.

Respectfully submitted,

Gallagher;
Amanda Weaver
Senior Account Manager