



ARIZONA LOCAL GOVERNMENT EMPLOYEE BENEFIT TRUST

Minutes of Telephonic Board of Trustees Quarterly Meeting

FINAL

Tuesday, September 17, 2024

1:30 p.m.

The following Trustees were present telephonically 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 telephonically:

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

The following Vendors were present telephonically:

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|--------------------|-----------------------------|
| Krista Keller | AmeriBen |
| Kelly Schoonmaker | AmeriBen |
| Jessica Bowers | AmeriBen |
| Thi Doan | Ameritas |
| Casey Lawton | Ameritas |
| Noah Mastel | Ameritas |
| Rose Stamps-Proper | Ameritas |
| Rajesh Patel | Cheiron |
| John Hatz | Gallagher |
| Tori Hudson | Gallagher |
| Amanda Weaver | Gallagher |
| Michael Hensley | Jones, Skelton, and Hochuli |
| Genie Harrison | PlanSource |
| Stacey Bullock | PlanSource |
| Jessica Long | PlanSource |
| Adam Mordecai | PlanSource |
| Kim Torres | PlanSource |

The following Guests were present telephonically:

| | |
|----------------|---------------------------------|
| Erik Masingill | Arizona Counties Insurance Pool |
| Penny Adams | County Supervisors Association |

1. Call to Order

The meeting was called to order at 1:34 p.m. by Chairperson, Ryan Patterson.

2. Roll Call

Amanda Weaver took roll call and verified there was a quorum.

3. Discussion, Consideration of and Possible Action Regarding Approval of the June 04, 2024 and June 06, 2024 Trust Meeting Minutes

John Hatz noted that Gallagher's recommendation was to approve the meeting minutes as presented.

Dustin Welker moved to approve the June 04, 2024 and June 06, 2024 Trust Meeting as presented. The motion was seconded by Megan Spielman.

The motion was approved 5-0.

4. PlanSource Implementation, File Feed, and ACA Reporting Implementation

John Hatz apologized to Trustees and explained that the implementation process was a much larger undertaking than anticipated and the amount of necessary resources needed were not put into place on the Gallagher side making it difficult to handle all day to day tasks and Open Enrollment.

Trustees discussed with Gallagher how upsetting this process was as it put a tremendous amount of additional work on their HR staff and caused frustration and concern with covered Members.

Trustees asked for a breakdown of why the implementation did not go as expected, what the next steps are to resolve the outstanding issues and what Gallagher is doing to ensure these issues will not continue and what is being done to fix them. John noted that most all issues had been resolved and with the implementation being complete, this would not happen in the future as the file feeds would already be in place.

AmeriBen, Ameritas, and PlanSource were on the call and addressed questions asked by Trustees regarding the timeline of when file feeds were received, what types of discrepancies were occurring on the file feeds and if they had been resolved. All vendors noted the file feeds were now in full production with minimal discrepancies occurring.

No action needed.

Mauricio Chavez joined during this agenda item.

5. Discussion, Consideration of and Possible Action Regarding Investment Results through August 31, 2024

John Hatz stated that Gallagher's recommendation was to approve the investment results as presented. Derek Rapier noted that the Investment Committee had reviewed and approved the results in a prior meeting.

Derek Rapier moved to approve the Investment Committee results through August 31, 2024 as presented. The motion was seconded by Derek Rapier.

The motion was approved 6-0.

6. Discussion, Consideration of and Possible Action Regarding Approval of Alliance Bank Administrators and Signers

John Hatz explained to Trustees that it is required by Alliance Bank that the Trust provide minutes making any updates to Administrators and Signatories and their respective access on the accounts. Administrators have online access and approve the level of access of specific users. Signers can actually sign checks on behalf of the Trust. The recommendation to the Administrators and Signatories was to make the change of removing Bill Hardy as a Signatory.

1. Ryan Patterson, AZLGEBT – Signatory
2. John Hatz, Gallagher – Administrator/Signatory
3. Bill Hardy, ACIP – Signatory - **Remove**
4. Cynthia Maalouf, ACIP – Administrator/Signatory
5. Marissa Olson, AmeriBen – Signatory

Dustin Welker moved to approve the change to the Administrators and Signatories as presented. The motion was seconded by Derek Rapier.

The motion was approved 6-0.

7. Discussion, Consideration of and Possible Action Regarding Approval of AZLGEBT Subrogation Settlement Policy

Mike Hensley, Trust Legal Counsel, discussed with Trustees drafted a Subrogation Settlement Policy as per the request of Trustees on best practices for resolving Member subrogation matters. Mike noted that the policy outlines a procedure that helps address those subrogation matters that are more standard to be able to be resolved more timely to work with the Chairman, Legal Counsel and Trust Consultant and for the more complicated and unusual matters to be brought back to Trustees to review.

Ryan Patterson asked if there were any questions and if there was a motion. Derek Rapier moved to approve the change to the Subrogation Policy as presented by Mr. Hensley. The motion was seconded by Dustin Welker.

The motion was approved 6-0.

8. Discussion, Consideration of and Possible Action Regarding Approval of AZLGEBT Travel Policy

John Hatz discussed with Trustees that it was asked of Gallagher to outline a policy that is more in line with the entity internal travel guidelines to follow when attending AZLGEBT events that require travel.

In reviewing what was proposed for hotel and meals, it was determined that the dollar amounts seemed low. Derek Rapier asked that Gallagher work with entities to determine what the internal amounts are for reimbursement. Ryan Patterson tabled the agenda item to be brought back to Trustees at the December Trust Meeting.

9. Wellness Update

Tori Hudson provided an overview and participation of each entity for the Cardiac and Organ and Health Heart Blood Draw Screenings. Tori also reminded Trustees that the following screenings are in process or would be held throughout the Plan Year:

- Skin Cancer Screenings
- Prostate Screenings
- Mammogram Screenings
- Flu Vaccinations
- Health Risk Assessments

Tori also discussed with Trustees that the Livongo Program is running well and the Trust is still seeing an increase in participation.

It was also discussed that Assured Imaging Women's Wellness reached out to determine if the Trust would be interested in contracting for the Skin Cancer Screenings as they have had a change in management and can potentially reduce the fees that were increased prompting AZLGEBT to research other vendors.

There is also an opportunity to add Hearing and Vision screenings to the Health Risk Assessment at an additional cost. This will be brought back to Trustees to vote at the December Meeting.

The Annual Conference went well. Gallagher and the Wellness Committee collaborated to implement a new program design for this fiscal year (2024-2025) to allow Employees to qualify for the Premium Reduction by participating in all onsite screenings throughout the year – each screening is worth 400 points and they must accumulate 2,000 points to qualify. Also, implemented was a Quarterly Wellness Focuses to brainstorm ideas on successful engagement tactics for Employees.

No action needed.

10. Discussion, Consideration of and Possible Action Regarding Approval of Financials Results through June 30, 2024

Amanda Weaver provided Trustees with an overview of the Trust financials ending June 30, 2024, letting Trustees know that the cash position was at \$17M. Taking into account the Actuary's Incurred But Not Paid (IBNP) liability of \$3.056,000, the Trust reported an estimated surplus position of \$13.9M. Amanda noted the Year-to-date showed a gain of \$1.7M.

Amanda also provided an overview of the large cases informing Trustees that as of the end of June there were sixteen large cases totaling \$3.5M. Three of the large claimants exceeded the \$275,000 Specific Deductible and the \$100,000 Aggregating Specific Deductible by a combined total of \$123,050. AmeriBen had obtained \$26,029 from the Stop Loss Carrier as of June 30th, VOYA, and will continue to seek reimbursement for the remaining \$97,021.

Amanda Weaver stated the Plan ran well and asked for a motion to approve the financials as presented.

Derek Rapier made a motion to approve the financials through June 30, 2024 as presented. Dustin Welker seconded the motion.

The motion was approved 6-0.

11. Discussion, Consideration of and Possible Action Regarding Approval of the 2023-2024 AZLGEBT Budget

John Hatz informed Trustees that the packet included AZLGEBT's annual budget, as well as each individual entity's budget, noting that the final budgets show updated census and Basic/AD&D and Dependent Basic Life annual premiums. It was also discussed how much of the budget dollars go towards claims, insurance premiums and administration.

John also discussed that the with the Stop Loss premiums coming in under budget, the \$113,000 was moved to General Administration. Derek Rapier asked what occurs with the dollars when it is moved to General Administration. Amanda Weaver note that it could be used to offset any unexpected costs that occur.

Dustin Welker made a motion to approve the 2024-2025 AZLGEBT Budget as presented. Derek Rapier seconded the motion.

The motion was approved 6-0.

12. Discussion, Consideration of and Possible Action Regarding the 2023-2024 Incurred But Not Paid (IBNP) and Target Reserve Recommendation

John Hatz began by letting Trustees know that the Incurred but Not Paid (IBNP) claim reserves report created by Cheiron was included in their meeting packet. John explained that the IBNP calculation is provided every year and provides an estimate of AZLGEBT's outstanding claim payments for services that have already been delivered to Plan Members but have not yet been paid by the Trust. The Trust's liability for the 2023-2024 Plan Year is estimated at \$3,056,000 which is an increase of \$643,000 from the prior year, which was estimated at \$2,439,000.

Also, an overview of the \$13.9M Target Reserve Level calculation as recommended by the Actuary was provided to Trustees.

Trustees requested more information on why there would be such a large increase. AmeriBen, Cheiron and Gallagher were requested to research further.

James Menlove made a motion to table the item. Derek Rapier seconded.

The motion was approved 6-0.

13. Discussion, Consideration of and Possible Action Regarding Approval of the 2023-2024 AZLGEBT Surplus/Deficit Allocation Detail Report

Ryan Patterson asked Legal Counsel if it was appropriate to remove this item due to the additional research of the IBNP and brought back at the December Trust Meeting. Legal Counsel note that it would be appropriate.

14. Discussion, Consideration of Possible Action Regarding the Offering of 2024-2025 Premium Holiday

Ryan Patterson requested agenda item be removed and be brought back to Trustees at the December Trust Meeting once further research occurred.

15. Discussion, Consideration of Possible Action Regarding the 2024-2025 Risk Management Plan (RMP)

John Hatz began by noting that attached was a draft copy of the 2024-2025 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. Monitor Benefit Enrollment Portal and ACA Reporting Services
3. Monitor Voluntary Benefit (Accident, Critical Illness, Hospital Indemnity)

4. Monitor First Year Audit of Prescription Benefits
5. Plan Benefit Analysis
6. Mental Health Parity Compliance
7. Research New Skin Cancer Screening Vendor
8. Assist in Tracking of Premium Reduction for Participation in Onsite Screenings
9. Continued Monitoring of Engagement in the Livongo Whole Person Solution to Eligible Population
10. Potential for Onsite Dental and Vision Screenings
11. Employee Benefit Packet Overview
12. Stop Loss Shopping
13. Trustee Annual Educational/Renewal Meeting
14. Trust Membership Renewals

Ryan Patterson asked for a motion to accept the 2024-2025 Risk Management Plan. Megan Spielman motioned to accept the Risk Management Plan as presented and Dustin Welker seconded the motion.

The motion was approved 6-0.

16. Administrative Update

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

- AZLGEBT's 11th PCORI Fee Payment
 - The PCORI fee was paid in the amount of \$7,683 and mailed on July 19, 2024.
- AmeriBen Conference
 - If any assistance is needed with upcoming conference, please reach out to Amanda
- Vendor Billings
 - Please review billings for accuracy
- Member Terminations
 - Reminder to term Members timely to stay in compliance with COBRA requirements and to ensure Members do not continue to use benefits
- Enrollment Portal
 - The PlanSource portal houses all information that goes over to the appropriate vendors. Any changes made in PlanSource are sent on the weekly file feed. This may consist of Benefit Elections, Demographic Changes, Salary Updates, Qualifying Life Events. If entities request a manual update by the vendor and do not make the change in PlanSource, the file feed will override the change that was made.

17. Next Meeting Date

Next quarterly meeting is scheduled for Tuesday, December 10, 2024 at 1:30 p.m.

18. Call to the Public

Dustin Welker requested that a meeting with Trustees and Trust Legal Counsel be scheduled in the next 2-3 weeks to discuss the current status of the Trust and the contractual agreement with Gallagher. James Menlove asked that Alternate Trustees also be included in the meeting as they were involved in the implementation and open Enrollment as well. Ryan asked that Gallagher coordinate as the Recording Secretary.

19. Adjournment

Ryan Patterson made a motion to adjourn at 3:05 p.m.

Respectfully submitted,

Amanda Weaver
AZLGEBT Recording Secretary