



**MARICOPA COUNTY
SELF-INSURED BENEFITS TRUST FUND
BOARD OF TRUSTEES**

GENERAL SESSION

MEETING MINUTES

April 28, 2020

**Benefits North Conference Room
301 W. Jefferson Street, 3rd Floor, Ste. 3200, Phoenix,
AZ 85003**

1. **Call to order**

John Lewis, Chairperson, convened the Benefits Trust Fund Board of Trustee's General Session at 11:00 a.m.

- Trustees Present (telephonically): Jim Steinkamp, Rex Jorgensen, Aaron Bacon, Helena Whitney, and John Lewis.
- Staff Present: Charlotte Marz, Deputy Director; Elizabeth Schafer, Benefits Administration Manager; Dave Hansen, Benefits Finance Manager.
- Staff Present (telephonically): Tawn Thornton Kao, Benefits Trust Fund Legal Counsel; Jan Plank, Human Resources Director; and Nancy Johnson, Program Coordinator.
- Guests Present (telephonically): Tammy Halter, Principal, Mercer, Inc
- Trustees Absent: Grif Hiatt.

2. **Approval of March 26, 2020 Trustee General Session Meeting Minutes**

Action taken: Trustee Steinkamp made a motion to approve the March 26, 2020 minutes. Trustee Jorgensen seconded the motion. The motion passed unanimously with five (5) ayes and zero (0) nays.

3. **Presentation of March YTD Financial Review; Full Year 2020 Financial Forecast; Review Board of supervisors Agenda Item Regarding FY20 Budget Shortfall; and Review Recommendation to Amend the Acceptable Range for Assets Available to Cover the Reserve**

Materials distributed: Maricopa County Employee Benefits Trust Fund March YTD Financial Commentary, FY2020 and FY2021 Forecast, Review of the Components of the Recommended Reserve, and Actuarial Analysis for Maricopa County as of June 30, 2019.

Dave Hansen, Benefits Finance Manager, presented the March 2020 YTD Dashboard, Financial Commentary, Claims Exceeding \$ 100,000 with Appendix A, Review of Cash, Fund Balance Roll-Forward, and Changes in Net Assets.

Trustee Lewis asked what categories represent the claims that exceed \$ 100,000 and why are they increasing so substantially. Mr. Hansen stated YTD basis last year Cigna HMO had abnormally low claims, but there was an increase in out of network claims in the PPO. Charlotte Marz, Deputy Director, explained there were some rare blood disorders claims and birth related claims, which were not in the projections.

Trustee Lewis asked why there is an increase in one provider's out-of-network claims. Mr. Hansen stated most of the increase is likely related to an increase in use of pain control centers, which generally are out-of-network, and provided an example of one individual incurring \$ 1.2 million in claims.

Mr. Hansen presented the FY2020 forecast. Mr. Hansen stated the forecast looks better because of an expected decrease in out-of-network claims due to changes in plan design and COVID-19 impacts are expected to result in elective surgeries being delayed to later months.

Mr. Hansen recommended the net assets level be increased to 100-200% of the recommended reserve, to provide a bigger stop-loss reserve, due to unexpected large claim increases and the uncertainty of the impact of COVID 19. Trustee Lewis asked if the proposed Board of Supervisor agenda item explains the increase in the budget expenditures. Ms. Marz stated the agenda item will have the information explaining the request for the \$ 10,947,861 shortfall.

Action taken: Trustee Bacon made a motion to approve recommending the proposed agenda item for the Board of Supervisors regarding FY20 Budget Shortfall, to increase budgeted expenditures by \$10,947,861. Trustee Jorgensen seconded the motion. The motion passed unanimously with five (5) ayes and zero (0) nays.

Action taken: Trustee Jorgensen made a motion to approve increasing the target asset level to cover the reserve or Company Action Level (CAL) by 50% to range of 100-200% for employer-funded plans. Trustee Bacon seconded the motion. The motion passed unanimously with five (5) ayes and zero (0) nays.

4. Review Potential Financial Impact of COVID-19 Related Healthcare Services and Coverage Options for Genetic and Genomic Therapies

Materials distributed: Maricopa County Board of Trustees Potential Impact and Coverage Options for Genetic and Genomic Therapies and COVID-19 presentation.

Tammy Halter, Principal, Mercer, presented the Impact of COVID-19 on 2020 Healthcare Claims; Multi-Million Dollar Claims and Specialty Rx Pipeline as related to novel high cost therapies; Risk Management Strategies; Cigna Embarc Program; Large Claim Risk; and Stop Loss Benchmarking and a Stop Loss Cost Illustration.

5. **EASE Program Review**

Materials distributed: YTD EASE Annual Review Report.

Elizabeth Schafer, Benefits Administration Manager, presented the YTD EASE Annual Review. Ms. Schafer said 40 applications were approved in the last year with awards totaling over \$ 56,000 and applications have increased recently.

Trustee Lewis asked if the amount of money left to help employees was about \$ 97,000 and guessed that the number of applications will probably increase through April, May and June. Jan Plank, Human Resources Director, stated the strategic direction is to draw the balance down to zero. We have the Voluntary 13k program and other things that involve the workforce in helping each other and other departments.

6. **Call to the Public**

Chairperson Lewis made a call to the public. No one from the public wished to speak.

7. **Motion to Adjourn**

Action taken: Trustee Jorgensen made a motion to adjourn the meeting. Trustee Bacon seconded the motion. The motion passed unanimously with five (5) ayes and zero (0) nays. The meeting was adjourned at 12:11 pm.