

MARICOPA COUNTY SELF-INSURED TRUST

**BOARD OF TRUSTEES MEETING**

301 W. Jefferson Street  
Board of Supervisors Conference Room, 10<sup>th</sup> Floor  
Tuesday, March 6, 2012  
Meeting Time: 11:00 A.M.

**OPEN SESSION**

**MINUTES**

BOARD PRESENT: Susan Strickler, Dan Robledo, Beverly DuPree  
BOARD ABSENT: Brad Arnett, Jim Steinkamp  
STAFF PRESENT: Chris Bradley, Meg Blankenship, Dave Hansen,  
Christine Stutz, Curtia Hunter-Richard  
GUESTS: Erin Collins

The Open Session meeting was called to order by Susan Strickler, Chairperson of the Board of Trustees, at 11:07 A.M.

Chairperson Strickler directed the board to convene to Executive Session to address the Agenda Item regarding Case ID# 14780700. Trustee Robledo moved to convene to Executive Session and the motion was seconded by Trustee Dupree. The motion passed unanimously. The Executive Session convened at 11:09 A.M.

Immediately following the conclusion of the Executive Session, the Open Session meeting resumed at 11:20 A.M.

Curtia Hunter-Richard distributed a presentation folder to each Trustee and Staff present containing the following meeting materials: the meeting agenda; Board of Trustees minutes reflecting the February 10, 2012 meeting; "Emerging Trends in Employee Benefits" presentation; Employee Benefits Trust Fund Financial Statements as listed in the Review of Financial Statements Presentation, and FY 13 Open Enrollment Timeline.

## **Approval of Last Meeting's Minutes**

Chairperson Strickler called for the approval of the February 10, 2012 meeting minutes. No changes were identified. The motion to approve the minutes was made by Trustee Robledo and seconded by Trustee Dupree. The minutes were unanimously approved.

## **Presentation and Discussion: Emerging Trends in Employee Benefits**

Erin Collins is the Founder and President of Erin Collins Associates (ECA), an employee benefit/wellness consulting and management firm based in Kingman, AZ. ECA specializes in issues related to unbundling self-funded public employee benefit plans and the unique challenges of rural employers.

By invitation of Chairperson Strickler, Mr. Collins reviewed County financial statements and recent modifications to County benefit/wellness plan design and made the following observations/recommendations:

- Maintain Structural Rate Adequacy where 100% of the current year's expenses should be funded through the current rate which protects the General Fund. The County indicated that it operates under the definition of Structural Rate Adequacy. Mr. Collins noted his review of County financials "appear to be fairly solid".
- Simplicity in benefit design is a good strategy. The County's move to provide fewer plans and sound structure with CMG, OAP, and HSA plans is a good one. The County appears to have bundled plans; with claims, processing, provider network, case management and wellness services being provided by a single vendor.
- Advantages of unbundling were presented which include utilizing independent reporting in order to enhance control of the plan and operations. It was noted that the claim fund is the biggest single area of abuse by vendors, especially PBMs, and should be handled by internal financial staff.
- Wellness should be done correctly with screenings, solid definitions of what is abnormal, and appropriate follow-up referral mechanisms. Early detection of health concerns through wellness initiatives is a means to preventing high-expense medical care and saves the plan money in the long-term.

A request was made by Trustee Dupree to obtain a copy of the criminal fraud case referenced by the presenter. A copy of the case will be provided by the presenter.

The question from Trustee Dupree in reference to which of the recommendations presented to the County are currently in place was addressed and clarified. The

County indicated that many of the recommendations were addressed by the recent changes in the plan design for FY13. A future change that the County may wish to consider is encouraging competition by unbundling the medical plan administration. It was clarified, however, that the County has different vendors for medical and pharmacy coverage.

The question from Chairperson Strickler in reference to the vendors the County contracts with for Wellness benefits was addressed and clarified. The County contracts with a variety of vendors in support of Wellness initiatives.

### **Presentation and Discussion: Review of Financial Statements**

Dave Hansen, Benefits Finance Manager, presented a review of the Employee Benefits Trust Fund Financial Statements as follows:

- Statement of Revenues, Expenses and Changes in Net Assets – YTD as of January 31, 2012
- Statements of Net Assets – January 31, 2012, June 30, 2011, and June 30, 2010
- Fund Balance Roll-Forward Seven Months Ended January 31, 2012
- Revenue & Expenses by Fund – Seven Months Ended January 31, 2012
- Balance Sheet Details – January 31, 2012, June 30, 2011, and June 30, 2010
- Notes to Financial Statements – January 2012

The Employee Benefits Trust Fund balance statement reflects cash at the start of the year was at \$57 million and has increased to \$62 million. The \$5 million increase is in line with YTD Operating Margin of \$4.6 million; this differential exists due to the January \$1 million liability increase as adjusted in anticipation of delayed claims at the end of the plan year, in addition to changes in the CMG plan.

The question from Trustee Dupree in reference to delayed claims processing and Cigna's ability to provide a continuous list of pending claims was addressed and clarified. The County is working to get a report from Cigna that lists information on pending claims.

Chairperson Strickler suggested that the County advise Cigna that if they cannot provide the County with a report with pending large claims, then Cigna should be asked to appear at the next BOT meeting to explain why the report can't be produced.

## **Presentation and Discussion: Open Enrollment Timeline**

Meg Blankenship presented the significant dates and tasks associated with the County's planned FY13 Open Enrollment.

The question from Trustee Robledo in reference to the number of COBRA participants the County currently has enrolled was addressed and clarified. There are approximately 150 COBRA participants.

The question from Trustee Dupree in reference to the improvement of service received from ADP was addressed and clarified. The County acknowledged that ADP has worked diligently to complete all Open Enrollment tasks by the deadline.

Discussion ensued in reference to opportunities to reaffirm the importance of confidentiality in protecting Personal Health Information (PHI) for County employees as they participate in Open Enrollment and wellness initiatives. The County includes privacy language on consent forms used for all health initiatives, such as biometric screenings, and will include a privacy statement as part of the Open Enrollment *What's New?* booklet.

The question from Trustee Dupree in reference to the inclusion of pre-diabetes test and/or pre-cancer indicators in any of the screenings done by the County was addressed and clarified. There is a glucose check included as part of the biometric screening. In addition, the County provides multiple opportunities for employees to receive health information through Blueprint for Wellness, Passport to Wellness, POP/MOM exams, and free preventive health care.

## **Call to Public**

Chairperson Strickler made the Call to the Public. No one from the public was present.

## **Motion to Adjourn**

Chairperson Strickler called for a motion to adjourn. The motion to adjourn was made by Trustee Dupree and seconded by Trustee Robledo. The motion passed unanimously. Chairperson Strickler noted the next meeting would be scheduled for April 3, 2012.

The meeting was adjourned at 12:20 P.M.