



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

**GENERAL SESSION**

**MEETING MINUTES**

**October 29, 2019**

**Benefits North Conference Room**

**301 W. Jefferson Street, 3rd Floor, Ste. 3200, Phoenix,  
AZ 85003**

1. **Call to order**

Trustee Rex Jorgensen, Acting Chairperson, convened the Benefits Trust Fund Board of Trustee's General Session at 11:08 a.m.

- Trustees Present (telephonically): Rex Jorgensen, Helena Whitney, Aaron Bacon, and Grif Hiatt.
- Staff Present: Charlotte Marz, Deputy Director; Elizabeth Schafer, Benefits Administration Manager; Dave Hansen, Finance Manager; Tawn Thornton Kao, Benefits Trust Fund Legal Counsel; Jan Plank, Human Resources Director; Sean Downs, Benefits Financial Supervisor; and Nancy Johnson, Program Coordinator.
- Guests present: Sanket Shah, Ann Marie Janusek, and Jasmine Puente, with Mercer Inc.
- Trustees Absent: Jim Steinkamp and John Lewis.

2. **Approval of October 11, 2019 Trustee General Session Meeting Minutes**

Trustee Bacon made a motion to approve the October 11, 2019 minutes. Trustee Hiatt seconded the motion. A vote on the motion was not taken.

3. **Financial Statements – Presentation and Discussion**

Materials distributed: Maricopa County Employee Benefits Trust Funds Dashboard – September 2019; Financial Commentary (September 2019), with Appendix A; Fund Balance Roll-Forward Three Months Ending September 30, 2019; Statements of Revenues, Expenses, and Changes in Net Assets – Internal Service Funds YTD as of September 30, 2019.

Dave Hansen, Benefits Finance Manager, presented the September 2019 Dashboard, which included each of the following categories: assets available to cover recommended reserve, large claim cost over \$ 100,000, expenditures v. prior year and budget, expense per subscriber, and change in net position.

Mr. Hansen presented revised totals for the June 30, 2019 unaudited results, medical claims paid, out-of-network claims, and prescription claims. Mr. Hansen explained the

increase in out-of-network costs was related to ambulatory surgery centers specializing in pain management.

Mr. Hansen presented the FY2020 Forecast, which included each of the following categories: FY2020 forecast compared to FY2019 actual, FY2020 budget, FY2021 preliminary budget, assets available to cover recommended reserves, cash balances, Appendix A which includes a discussion of the diagnosis categories. Trustee Jorgensen asked for more clarification on the money spent on out-of-network pain management. Mr. Hansen explained it appears employees might be getting more expensive out-of-network procedures for their pain since opioids are not as available. Mr. Hansen presented the self-insured funds, employee self-insured funds, paid large claims and fully insured (agency) funds, and statement of revenues, expenses and changes in net assets.

#### 4. **Trust Fund Reserves – Presentation and Discussion**

Materials distributed: Presentation Slides and Report re: Actuarial Analysis of Unpaid Claims Liabilities and Reserves as of June 30, 2019 of the Maricopa County Self-Funded Employee Benefits Program.

Trustee Jorgensen introduced Charlotte Marz, Deputy Director, to introduce the Mercer presenters. Sanket Shah, Ann Marie Janusek, and Jasmine Puente introduced themselves. Ms. Janusek presented an overview of the Actuarial Analysis of the Unpaid Claims Liabilities and Reserves as of June 30, 2019 report. Ms. Janusek explained the funding rates for FY2020 are not expected to cover costs of benefit administration for FY2020 so a premium deficiency reserve (PDR) is needed as of June 30, 2019. The premium deficiency reserve would be re-addressed if premium funding changes.

Mr. Shah presented liabilities and reserves for Short-Term Disability benefits, reserves for large claims, and reserve for excess COBRA expense. Trustee Jorgensen asked if the proposed reserves to be voted on will appear in the financial statements. Mr. Hansen explained the reserves totals are already incorporated in the financial statements.

Action taken: Trustee Hiatt made a motion to approve the recommended reserves as presented for the Benefit Trust. Trustee Bacon seconded the motion. Motion carried with four (4) ayes and zero (0) nays.

Trustee Jorgensen introduced Ms. Marz who explained the County currently does not have Stop-Loss insurance and the recommendation is not to purchase Stop-Loss insurance in the market. Mr. Hansen explained it would not be prudent to purchase Stop-Loss insurance for an organization of the County's size and calculated the County would spend more than \$ 5 million in premiums but be reimbursed for only about \$ 2.5 million in claims over a 5-year period.

Action taken: Trustee Hiatt made a motion to approve the provision of Stop-Loss insurance set at zero to remain unchanged and no need for communication to the Board of Supervisors regarding Stop-Loss Insurance. Trustee Whitney seconded the motion. Motion carried with four (4) ayes and zero (0) nays.

5. **Health and Welfare Benefits for Plan Year 2020-2021 – Presentation and Discussion**

Materials distributed: Presentation slides re: 2020-2021 Employee Benefits and Wellness Recommendations.

Ms. Marz presented an overview of Health and Welfare Benefits proposed medical premiums for full-time employees for Plan Year 2020-2021 recommended by Mercer and Benefits staff. There is a proposed increase in Plan costs, with the PPO plan representing the largest increase. Proposed premiums for dental and short-term disability were presented. Trustee Jorgensen asked if the 9% increase in medical costs was in conformance with the industry. Ms. Marz explained there is a 3.6% increase in employer plans, however, the 9% includes the cost increase due to flat premiums from last year.

Ms. Marz discussed a few Plan recommendations: changing part-time eligibility, place of service differential, decrease physical therapy co-pay, replace current Diabetes Management Program with a counseling program, add Orphan Drug Program, and expand the number of visits from eight to twelve visits for the Employee Assistance Program.

Action taken: Trustee Hiatt made a motion to approve that the recommendation of total premiums for Plan Year 2020-2021 be submitted to the Board of Supervisors as presented. Trustee Whitney seconded the motion. Motion carried with four (4) ayes and zero (0) nays.

6. **Calendar Year 2020 Board of Trustee Meeting Schedule**

Ms. Marz presented the 2020 Board of Trustees Meeting Schedule calendar.

7. **Call to the Public**

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

8. **Motion to Adjourn**

Action taken: Trustee Hiatt made a motion to adjourn the meeting. Trustee Bacon seconded the motion. The motion carried with four (4) ayes and zero (0) nays. The meeting was adjourned at 11:56 am.