



City of Goodyear

See meeting location
below

Meeting Minutes

Self-Insured Healthcare Trust Board

Friday, March 29, 2019

2:30 PM

City Hall, Room 230
190 N. Litchfield Rd.
Goodyear, AZ 85338

1. CALL TO ORDER

Chairman Balsan called the meeting to order at 2:38 p.m.

2. ROLL CALL

Present: 5 - Chairman Balsan, Vice Chairman Foster, Secretary Preyer-Bonton, Boardmember Sandstrom and Boardmember Newcomer

Staff Present: Human Resources Director Lyman Locket, Total Compensation and HRIS Manager Jeanni Ruddy and Finance Manager Jared Askelson

Others Present: Leavitt Group Benefits Service of Arizona Managing Principal Rick Shuckerow

3. APPROVE MINUTES

[MINUTES](#) Approve draft minutes from the Self-Insured Healthcare Trust Board meeting held
[2019-27](#) on March 5, 2019.

MOTION BY Chairman Balsan, SECONDED BY Vice Chairman Foster, to APPROVE the draft minutes from the Self-Insured Healthcare Trust Board meeting held on March 5, 2019. The motion carried by the following vote:

Ayes: 5 - Chairman Balsan, Vice Chairman Foster, Secretary Preyer-Bonton, Boardmember Sandstrom and Boardmember Newcomer

4. CITIZENS COMMENTS/ APPEARANCES FROM THE FLOOR

None.

5. OLD BUSINESS

None.

6. NEW BUSINESS

6.1 Cigna Administrative Services Only (ASO) Quote for FY20

Mr. Shuckerow led the discussion on the Cigna Administrative Services Only (ASO) quote for FY20. Cigna Medical Group is on record recognizing they typically do not allow pulling out of Administrative Services for groups under 500, and they will not allow other third-party administrators to pay claims for the HMO plan. The current rate is \$36-\$37 per member per month including credits from rebates per Cigna. This rate includes an offset of approximately \$15, making Cigna's administrative fee around \$51. The \$15 offset would be re-introduced into costs with the pharmacy carve out. Mr. Shuckerow continues to negotiate, adding that Cigna is discussing refunding the pharmacy rebates. Finally, net saving with a new Pharmacy Benefit Manager (PBM) carve out is in hundreds of thousands, and Goodyear will gain focused claims experience as well as all rebates. There was additional discussion on the potential of changing providers and timing and clarification that Cigna controls whom the network is rented out to.

6.2 Pharmacy Benefit Management (PBM) Selection

Mr. Shuckerow shared that Navitus is the selected pharmacy benefit manager. Navitus is owned by the Sisters of Saint Mary; St Louis, MO. They are the ninth largest PBM, and over half of their clients are public sector. The 100% pass through and transparent business model appears flexible, allowing regular meetings and permitting grandfathering of specific prescriptions. Mr. Locket added that rates are consistent through the Navitus Book of Business, while Ms. Ruddy added that per employee per month rates remain stable. Mr. Shuckerow said that the focused and transparent service Navitus will provide should impact our pharmacy trend of 18%. Navitus partners with Costco, and they will be present at the planned employee health fair to provide information.

6.3 Stop Loss

The Stop Loss quote for Cigna 12/12 is an 18% increase based on the pool. Symetra provided a 12/24 quote, which is the best option to avoid lasering as 12 months of quotes can be paid over 24 months. Mr. Shuckerow recommended carving out stop loss and reminded all that the change would be invisible to members.

6.4 Wellness Clinic Update

Ms. Ruddy provided an update on the wellness clinic, sharing that six bids were received and three companies were interviewed: Meritain Health, Cigna and Care ATC. Care ATC was selected. In addition to managing the city's clinic, Care ATC allows the city to buy hours at four other locations across the valley. The elements Care ATC provides which aided in their selection include technology, improved reporting, PHA personalization, and an app providing a portal and labs. Finally, improved medical management and integrated electronic records in addition to a call center offering more extended hours than currently available.

6.5 Funding Calculation/Premiums

Mr. Shuckerow reviewed the funding calculations and provided a recommendation to hold the premium rate to be paid into the health trust fund by employees. The report contained a budget with a one-percent projected increase including trended claims, carve out costs and estimated rebates gained

from Navitus, and the \$450K wellness clinic budget. Chairman Balsan asked about the ability to relook at this if estimates come back changed, and was advised yes.

MOTION BY Chairman Balsan, SECONDED BY Vice Chairman Foster, to RECOMMEND holding the premium rates for employees as calculated by Cigna for the three new plan designs. The motion carried by the following vote:

Ayes: 5 - Chairman Balsan, Vice Chairman Foster, Secretary Preyer-Bonton, Boardmember Sandstrom and Boardmember Newcomer

6.6 Appeals Process

The appeals process is on the agenda as it will be a decision point for the next meeting. Ms. Ruddy identified that with the pharmacy carve out there may be more individuals possibly coming forward to appeal as outlined in the ByLaws. Mr. Locket added that currently everything runs through Cigna's process. The board will want to consider the level at which members would like items presented.

8. **NEXT MEETING**

The next meeting is scheduled for Thursday, August 22, 2019, at 2:30 p.m.

9. **ADJOURNMENT**

There being no further business to discuss, Chairman Balsan adjourned the meeting at 3:45 p.m.

Respectfully Submitted by:

Lyman Locket, Human Resources Director

Michael Balsan, Chairman

Date: _____