

**LAKE HAVASU SCHOOLS EMPLOYEE BENEFIT TRUST**

2200 Havasupai Blvd., Lake Havasu City, AZ 86403

**Trust Board Minutes**

October 17, 2019

**REGULAR MEETING:**

1. Routine Opening of Meeting – Call to Order

The Regular Meeting of the Board of Trustees of the Lake Havasu Schools Employee Benefit Trust was called to order by Trust Chairperson, Marcia Cox, in the District Boardroom, 2200 Havasupai Blvd., Lake Havasu City, Arizona at 5:03 p.m. on October 17, 2019.

1.1 Roll Call

BOARD MEMBERS PRESENT:            Marcia Cox, Chairperson  
   Hal Christiansen, Vice Chairperson  
   Amy Barney, Trustee  
   Julie Sasseen, Trustee

BOARD MEMBERS ABSENT:            Dr. Fadi Atassi, Trustee

GOVERNING BOARD MEMBERS  
PRESENT:                                    N/A

ADMINISTRATION PRESENT:            Mike Murray, Director of Business Services  
   Naomi Morgan, Administrative Assistant

OTHERS:  
   Jaime Schulenberg, ECA – Broker/Consultant  
   Storm Kinion, ECA – Broker/Consultant  
   2 Others

1.2 Pledge of Allegiance/Moment of Silence

1.3 Call for an Executive Session  
   N/A

2. Call to the Public

- One Call to the Public was deferred to Item 3.6 since it was related to that agenda item.

3. New Business

### 3.1 Approval of Meeting Minutes: July 18, 2019

Vice Chairperson Christiansen moved to approve the meeting minutes for July 18, 2019 as presented, seconded by Trustee Barney and unanimously carried. (Trustee Sasseen abstained from voting as she was not at the July 18, 2019 Trust meeting.)

### 3.2 Approval of June-August Financial Reports

Vice Chairperson Christiansen moved to receive and approve the June - August 2019 Financial Reports, seconded by Trustee Sasseen, and unanimously carried.

Ms. Kinion reviewed the financial report for the month ending August 31, 2019. Ms. Kinion reported overall revenue was at \$605,468 and expenses are at \$603,543. Interest and Investment income came in at (64%) due to an issue with the Wells Fargo report; there is no actual loss of money. The YTD cash position is (\$508,194) due to high medical and Rx claims in prior months; in addition, there was a pre-payment of revenue made in June that didn't amortize over the other 2 months. Ms. Schulenberg explained that ECA is working with the District to determine what portion of the funds need to be reallocated to the current plan year; if ECA is able to gather the necessary information, the financials for June, July and August will be updated. The IBNP is (\$687,958), making the All Years Surplus \$3.5M.

Gold Plan medical claims are running at 153% due to 3 large claims in August totaling \$332,297. The Gold Rx claims are running at 156% due to 8 specialty medication fills totaling \$84,888. The plan received an Rx rebate totaling \$77,833.

The Trust has 3 large claims that exceed 50% of the specific deductible of \$170,000 totaling \$332,297. To date \$449,228 has been received in stop loss reimbursements due for the 2018-19 plan year and Gilsbar is in the process of seeking the remaining \$704,612 due.

### 3.3 Review of IBNP Report for 06/30/19

Chairperson Cox moved to receive the IBNP report, seconded by Vice Chairperson Christiansen, and unanimously carried.

Ms. Schulenberg reviewed the Incurred but Not Paid (IBNP) report provided by the Trust's actuary, Cheiron, who provides an estimate of outstanding claim payments for services delivered to members, but for which payment has not yet been received by the Trust. As of 06/30/19 the IBNP is reported at \$616,000 and reflects a reduction of \$39,000 over the prior plan year.

### 3.4 Discussion and Possible Action re Sale of Remaining Clinic Inventory

Vice Chairperson Christiansen wanted to know much inventory remained stored at the District warehouse; Chairperson Cox reported there is a list and pictures of the remaining items. Mr. Murray suggested a time be scheduled to do a walk-through and Vice Chairperson Christiansen agreed to review-Friday, October 18. Trustees decided there would be a bulk sale on Wednesday, October 30, 2019 at the District warehouse. Bidders will be able to view all items and the highest bid will win. The buyer will have 48-hours to remove all items from the warehouse. It was decided to run ads on the District website, in the Today's News Herald and White Sheet, as well as having Trustee Sasseen distribute the list and photos to her contacts in the medical community.

### 3.5 Discussion and Possible Action re RFP's for TPA and/or PBM

Vice Chairperson Christiansen moved to discuss going out for RFP for TPA and/or PBM, seconded by Trustee Barney, and unanimously carried.

Ms. Schulenberg reported that Gilsbar has been the TPA since January 1, 2009 and National Cooperative, who contracts with CVS, has been the PBM since October 2011. She also reported she does not see where an RFP has been conducted for either party since they were originally contracted. It is ECA's recommendation that the Trust conduct an RFP for both the TPA and PBM.

Vice Chairperson Christiansen moved to conduct an RFP for both TPA and PBM, seconded by Chairperson Cox, and unanimously carried.

### 3.6 Updates and Announcements

Ms. Schulenberg provided follow-up to issues from a prior meeting; initially addressing Ms. Hubert's concern about the lack of billing codes for mental health. Ms. Schulenberg reported that LHSEBT does cover psychotherapy as any other outpatient therapy (deductible and coinsurance). She also reported that she found numerous codes for mental health and counseling that would fall under an office visit co-pay; this provider is using the code for psychotherapy. She also reported that the psychotherapy services are being billed with an office visit and if these are not being properly billed the member should contest the charges with the provider.

- Kathryn Hubert expressed continued concern about the lack of billing codes for mental health visits; she is being told they all fall under Psychotherapy which requires meeting your deductible and paying coinsurance. She expressed frustration over the cost as well as the process of trying to understand how to have services billed properly in order to secure care for her daughter. There was some discussion regarding the availability of office visit codes and the Board directed ECA to provide Ms. Hubert with additional information.

Ms. Schulenberg also reported on an email read in the July meeting from a retiree which questioned an increase in premiums. She advised the board that while the 2019-20 premium decreased, the retiree contribution increased. This is due in part to the retiree premiums being erroneously based on active employee rates in prior years, which was corrected for 2019-20. The District determines the contribution amounts for employees and retirees.

4. Adjournment

Vice Chairperson Christiansen moved to adjourn at 6:16 p.m., seconded by Trustee Barney and unanimously carried.

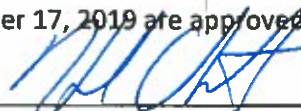
Video of the entire meeting may be seen on the District website ([www.havasu.k12.az.us](http://www.havasu.k12.az.us)) under EBT Documents.

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Minutes of the Special Trust Board Meeting of October 17, 2019 are approved as submitted.



Marcia Cox, Chairperson



Hal Christiansen, Vice Chairperson