



**LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST**

**BOARD OF TRUSTEES – NOTICE OF TRUST MEETING**

**Thursday, July 19, 2018 at 5:00 p.m.  
2200 Havasupai Blvd. – Governing Board Conference Room  
Lake Havasu, AZ 86403**

**MEMBERS OF THE LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST BOARD OF TRUSTEES WILL ATTEND EITHER IN PERSON OR BY TELEPHONE CONFERENCE CALL.**

The Board of Trustees (the "Board") of the Lake Havasu Unified School District Employee Benefit Trust (LHSEBT) may, by motion, recess into Executive Session for discussion and consultation with attorney(s) for the Board to receive legal advice on any item contained in this Agenda pursuant to ARS §38-431.03 (A)(3) or for discussion or consideration of records exempt by law from public inspection in accordance with ARS §38-431.03 (A)(2) on any item contained in this agenda.

**AGENDA**

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|--|-------------------------------|
| 1. Call to Order   | Marcia Cox, Vice Chairperson  |
| 2. Roll Call   | Naomi Morgan, Trust Secretary |
| 3. Pledge to the Flag  | Marcia Cox, Vice Chairperson  |
| 4. Call to the Public  | Marcia Cox, Vice Chairperson  |
| 5. Introduction of New Trustees  | Marcia Cox, Vice Chairperson  |
| 6. Discussion and Possible Action re Interim Legal Counsel   | Marcia Cox, Vice Chairperson  |
| 7. Update on Legal Request for Proposal  | Jaime Schulenberg, ECA        |
| 8. Ratification of Reinsurance   | Jaime Schulenberg, ECA        |
| 9. Approval of Meeting Minutes from February 07, February 21, March 08, April 25, May 11 and June 29, 2018 | Marcia Cox, Vice Chairperson  |
| 10. Approval of December 2017 through June 30, 2018 Financial Reports                                      | Mike Bonney, GDK              |
| 11. Vendor Reports   |                               |
| A. Medical Claims  | Joyce Perez, Gilsbar          |
| B. Dental Claims   | Rich Hanna, Ameritas          |
| 12. Administrative Update  | Jaime Schulenberg, ECA        |
| 13. Election of Officers   | Marcia Cox, Vice Chairperson  |
| 14. Future Agenda Items  | Chairperson                   |
| 15. Adjourn  | Chairperson                   |

**Note: Unless Otherwise Indicated, All Agenda Items Are Potential Action Items**

Pursuant to the Americans with Disabilities Act (ADA), LHSEBT endeavors to ensure the accessibility of all its programs, facilities and services to all persons with disabilities. If you need an accommodation for this meeting, please contact Michael Murray at (928) 505-6937. Requests should be made as early as possible to arrange the accommodation.

**PLEASE POST NO LATER THAN 5:00 P.M., WEDNESDAY, JULY 18, 2018**

# **MEMORANDUM**

TO: **LHSEBT Trustees**

FROM: **ERIN P. COLLINS & ASSOCIATES, INC. (ECA)**  
Jaime Schulenberg, Sr. Account Manager

DATE: July 12, 2018

RE: Discussion and Possible Action re Interim Legal Counsel

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During the May 11, 2018 Trust meeting, the Board voted unanimously to conduct a Request for Proposal (RFP) for legal services. As part of that discussion, it was recommended that the Trust appoint interim legal counsel, however, that specific item was not on the agenda for approval. As a result, this item has been added for the Board's discussion of whether to appoint interim legal counsel while the RFP is conducted.

Since the Board has been working with Michael Hensley from Jones Skelton & Hochuli on other legal matters, ECA requested a quote from Mr. Hensley to provide interim services, which will be provided upon receipt. It is anticipated that he may also provide a proposal in response to the RFP.

If you should have any questions between now and the date of the meeting, feel free to call or email me at (928) 753-4700 x302 or [jaimes@ecollinsandassociates.com](mailto:jaimes@ecollinsandassociates.com).

# **MEMORANDUM**

TO: **LHSEBT Trustees**

FROM: **ERIN P. COLLINS & ASSOCIATES, INC. (ECA)**  
Jaime Schulenberg, Sr. Account Manager

DATE: July 12, 2018

RE: Update on Request for Proposal for Legal Counsel

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During the May 11, 2018 Trust meeting, the Board voted unanimously to conduct a Request for Proposal (RFP) for legal services.

ECA prepared the attached RFP and draft contract which have been reviewed and approved by the Trust's Chairperson and Vice Chairperson. As of the date of this memo, I have contacted 5 law firms in Arizona who specialize in employee benefits; upon confirmation of the correct contact person, I will provide the RFP to those firms for review and response.

The deadline for response to the RFP is August 02, 2018 with a proposed effective date of September 01, 2018. ECA will be requesting a special meeting in August at which an award of contract will be on the agenda.

If you should have any questions between now and the date of the meeting, feel free to call or email me at (928) 753-4700 x302 or [jaimes@ecollinsandassociates.com](mailto:jaimes@ecollinsandassociates.com).





The Lake Havasu School District #1 Employee Benefit Trust (LHSEBT) is soliciting proposals for professional legal services. The requested contract effective date is September 01, 2018 through June 30, 2019 (to align with the Trust's other vendor contracts) with up to four (4) annual renewals. **The deadline for receipt of proposals is 3:00 P.M. Arizona time, Thursday, August 02, 2018.** Proposals received after this date and time will be rejected.

As background, the LHSEBT was formed effective July 1, 1986 under the authority granted pursuant to Arizona Revised Statutes §15-382 and §15-502 to provide and administer a plan of employee benefits for its employees. LHSEBT currently offers a comprehensive benefit package to its roughly 457 employee and 43 retiree beneficiaries. The benefit program includes a partially self-funded medical/prescription benefit program, fully self-funded dental and conventionally insured Vision, Life/AD&D and Short-Term Disability benefits. In addition, the Trust operates a near-site clinic managed by Cerner Corporation.

The professional services anticipated under this contract include, but are not limited to, the following:

1. Legal representation to the Board of Trustees appointed to manage the LHSEBT;
2. Review, interpretation and provision of advice related to statutes, rules, and regulations pertaining to the Trust;
3. Drafting and review of vendor agreements, insurance contracts, and other legal documents;
4. Representation in resolving benefit appeals;
5. Representation in negotiations with suppliers and service providers;
6. Representation in discussions and/or regulatory processes with federal and state agencies;
7. Representation in litigation, or may assist in selecting alternative counsel as appropriate for any particular situation;
8. Telephonic or in-person participation in Board meetings; and
9. When necessary, training of Trustees and administrative staff on legal issues (i.e. HIPAA, COBRA, Fiduciary, AZ Open Meeting Law, etc.).

Your proposal should include the following information in the order listed.

1. Include a profile of your firm including the name, title, address, telephone number and facsimile number of the contact person for this proposal.
2. Identify each individual who will be assigned to the legal team and their assigned area of responsibility and qualifications. Indicate if any individual or work is subcontracted. Include resumes for each individual listed.
3. Identify the Martindale rating of your firm and of the lead counsel who will be assigned to the Trust.

4. Provide a list of not less than three current or former Arizona public entity self-funded benefit trusts formed pursuant to A.R.S. § 15-382 and § 15-502; § 11-981 and/or 11-952 and 11-952.01 that you do now or have previously provided legal services on behalf of. Include in your response:
  - a. Name of the Trust;
  - b. Date(s) during which you provided legal services;
  - c. A general description of the legal services provided;
  - d. A contact person, title, address, telephone, facsimile numbers who can serve as a reference pertaining to the legal services you provided to this Trust; and
  - e. If no longer providing legal services to this trust, an explanation of why.
5. Provide at least three (3) current client references (comparable in size and scope of services proposed) for whom you have provided legal services within the past 2 years. Provide company name, contact person, title, address, telephone, facsimile numbers, and a brief description of services provided. If these references are the same as provided under #4, simply indicate "Same."
6. Please give detailed examples of your experience in drafting the following:
  - a. Trust and Intergovernmental agreements;
  - b. Vendor and supplier contracts; and
  - c. Benefit Plan Document provisions.
7. Please outline your experience providing training for Trustees of Arizona public entity self-insured Trusts. Of particular interest is training that is pertinent to employee benefit trusts.
8. Please outline your working knowledge of the Accountable Care Act (Healthcare Reform), HIPAA, COBRA, FMLA and USERRA.
9. Demonstrate your experience in handling benefit claims litigation including bad faith issues.
10. Demonstrate your knowledge and experience with the following areas relevant to Arizona public entity self-insured trusts:
  - a. Self-insurance law and regulation;
  - b. Open Meeting law;
  - c. Fiduciary duties and liability;
  - d. Procurement for professional and other services and products; and
  - e. Other relevant topics you wish to highlight.
11. Provide a cost structure of hourly fees (by type, i.e., Partner, Associate, Travel, etc.) and any other charges as shown below. The Trust is requesting proposed fees for the following periods:

September 01, 2018 thru June 30, 2019

July 01, 2019 thru June 30, 2020

July 01, 2020 thru June 30, 2021

July 01, 2021 thru June 30, 2022

July 01, 2022 thru June 30, 2023

12. Attached is a sample legal services agreement for your review and information.  
Please list any deviations from the sample in your response.

The Trust reserves the right to accept or reject, in part or in its entirety, any and all proposals received as a result of this Request for Proposal. The lowest cost proposal will not necessarily be selected. Award may be made without further discussion of proposals received; therefore, it is important that the proposal be submitted initially in the most complete terms from both the technical and cost standpoint.

**Your proposal must be received no later than August 02, 2018 at 3:00pm Arizona time.**  
Proposals received after this date and time will be rejected. E-mailed proposals are preferred.

Prospective vendors are to send their proposals to:

**Erin P. Collins & Associates, Inc.**  
**ATTN: Jaime Schulenberg, Sr. Account Manager**  
**1115 Stockton Hill Road, Suite 101**  
**Kingman, Arizona 86401**  
[jaimes@ecollinsandassociates.com](mailto:jaimes@ecollinsandassociates.com)

Questions or requests for information may be addressed to:

**Erin P. Collins & Associates, Inc.**  
**ATTN: Jaime Schulenberg, Sr. Account Manager**  
**1115 Stockton Hill Road, Suite 101**  
**Kingman, Arizona 86401**  
**(p) 928.753.4700 Ext 302**  
**(f) 877.866.5732**  
**E-mail: [jaimes@ecollinsandassociates.com](mailto:jaimes@ecollinsandassociates.com)**

## **AGREEMENT FOR LEGAL SERVICES**

This Agreement for Legal Services (the “**Agreement**”) is made and entered into to be effective as of the 1st day of September 2018, by and between the Lake Havasu School District #1 Employee Benefit Trust (the “**Trust**”) and xxxxxxxx (the “**Professional**”).

### **RECITALS:**

**I. WHEREAS**, the Trust is a public entity employee benefits trust established pursuant to A.R.S. §15-382 and A.R.S. §15-502 in order to provide employee benefits including, without limitation Medical and Prescription drug benefits; and

**II. WHEREAS**, the Trust desires to secure the services of a law firm as described in this Agreement, and the Professional desires to provide those legal services to the Trust and represents that it is fully qualified and has the expertise, personnel, and resources to perform the desired services;

**NOW, THEREFORE**, in consideration of the foregoing recitals and the mutual covenants and agreements contained in this Agreement, the Trust and the Professional agree as follows:

### **AGREEMENTS:**

#### **I. Term and Termination:**

- A. Term.** This Agreement shall become effective on September 01, 2018, and shall remain in effect through and including June 30, 2019 (the “Term”), unless terminated earlier as provided herein. Further, this Agreement shall renew automatically for four (4) additional one year periods unless either (i) the Professional provides the Trust notice of its intent not to renew within one-hundred and twenty (120) calendar days of the end of the current Term, or (ii) the Trust provides the Professional notice of its intent not to renew within sixty (60) calendar days of the end of the current Term.
- B. Termination Without Cause.** The parties may mutually agree in writing to terminate this Agreement at any time.
- C. Termination For Cause.** If either party to this Agreement believes the other party is not in compliance with the terms or conditions of this Agreement or that the other party is refusing or failing to properly perform the services or obligations it is required to perform under this Agreement, that party shall provide a written notice to the party alleged to be in non-compliance of such non-compliance, refusal, and/or failure (the “**Notice of Non-Compliance**”) and provide the party alleged to be in non-compliance with not less than thirty (30) working days to cure the alleged

deficiency(s) (the “**Cure Period**”). If the alleged deficiency(s) have not been cured within the Cure Period set forth in the Notice of Non-Compliance, the party issuing the Notice of Non-Compliance may unilaterally terminate this Agreement effective immediately upon providing the other party with written notice of termination for non-performance. Further, the Trust may terminate this Agreement immediately by issuing a written notice of termination to the Professional, if the Professional violates the law or engages in fraud, theft, or embezzlement.

- D. Termination For Non-appropriation.** The Trust is obligated only to pay periodic payments under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during the Trust’s then current budget year. Should the Trust fail to budget, appropriate or otherwise make available funds to pay periodic payments under this Agreement following the then current budget year, this Agreement shall be deemed terminated at the end of the then current budget year. This provision shall take precedence over and shall not be limited in any way by any other provision of this Agreement for all purposes.

## **II. The Professional's Post-Termination Obligations.**

- A.** If this Agreement is terminated, the Professional will discontinue performance of services on the date of termination and deliver to the Trust completed or partially completed information, reports, and documentation, which, if performance had been completed, would have been furnished to the Trust under this Agreement.
- B.** The Professional will convert any data generated during this Agreement into a format that can be transferred to the Trust for its use without the need to obtain a software license from the Professional.
- C.** The Professional shall provide any original records to the Trust, and shall keep copies of all records generated during this Agreement at its own cost.
- D.** In no event shall the Professional cause or by omission allow to occur an event that would jeopardize the Trust's reinsurance.
- E.** The Professional shall cooperate fully with any audit of the services provided under this Agreement, and shall do so without compensation for the twelve month period beginning the day that services are last provided hereunder.

**III. Scope of Services to Be Provided by the Professional:** During the term of this Agreement, the Professional shall provide the following comprehensive legal services:

- A. Legal representation to the Board of Trustees appointed to manage the LHSEBT.
- B. Review, interpretation and provision of advice related to statutes, rules, and regulations pertaining to the Trust.
- C. Drafting and review of vendor agreements, insurance contracts, and other legal documents.
- D. Representation in resolving benefit appeals.
- E. Representation in negotiations with suppliers and service providers.
- F. Representation in discussions and/or regulatory processes with federal and state agencies.
- G. Representation in litigation, or may assist in selecting alternative counsel as appropriate for any particular situation.
- H. Telephonic or in-person participation in Board meetings.
- I. When necessary, training of Trustees and administrative staff on legal issues (i.e., HIPAA, COBRA, Fiduciary, Az Open Meeting Law, etc.)
- J. Perform such other related duties as may be agreed to by the Professional and the Trust.

**IV. Compensation:**

- A. For the services included herein, the Professional shall receive as compensation those amounts as set forth in the fee schedule attached hereto as Exhibit "A" and incorporated herein by reference (the "Fee Schedule").
- B. Subject to the rate agreements set forth in Exhibit "A", the Professional may deliver a request for a fee increase to the Trust no less than 150 calendar days prior to the end of the then current Term. If the Professional and the Trust have not reached an agreement on the requested fee increase before the 90<sup>th</sup> day prior to the end of the then current term, this Agreement may be terminated at the end of the then current term, at the option of the Professional. If the parties have not reached an agreement on a rate increase and the Professional has not terminated the Agreement, the existing fees and rates shall continue to apply to the services provided under this Agreement for the next one-year term.

**V. Expenses:**

- A. Unless set forth in the Fee Schedule, each party shall be solely responsible for its own expenses including, without limitation, the hourly rates, salaries, benefits, and other things of value which arise from employment of such party's employees; any costs incurred for travel, meals, lodging, telephone, fax or other electronic or other means of communication; costs of compiling and formatting information, and any and all direct and indirect costs associated with or arising from the completion of the services contemplated under the terms of this Agreement.
- B. The parties further acknowledge and agree that the Trust shall be solely responsible for its share of any charges related to actuary, auditor, attorney and any other professional or ancillary service providers separately retained by the Trust in order to review Trust operations or options as may from time to time be identified by the Trust.

**VI. Taxes:** The Professional shall have full and exclusive liability for and shall pay and hold the Trust harmless from any and all of the Professional's taxes, assessments, or governmental charges in connection with all or part of the services provided by the Professional hereunder, other than insurance premium taxes due as a result of any insurance and/or reinsurance placed on behalf of the Trust. The Professional is not responsible for assessments or governmental charges incurred by the Trust.

The Professional shall complete and provide to the Trust an Internal Revenue Form W9 (Request for Taxpayer Identification Number and Certification) for the purpose of the Trust's Internal Revenue Service 1099 Form reporting.

**VII. Ownership of Documents, Records and Work Product:**

- A. All documents, records, information, and work product of any kind related to the Trust and/or which result from this Agreement shall become property of and belong to the Trust, and may be used as the Trust deems appropriate.
- B. At all times during the term of this Agreement, the Trust or its appointed representative(s) shall, as authorized by the Trust, have access to the documents, records, files, and information of the Trust maintained by the Professional and to work product of the Professional that is related to the Trust and/or which results from this Agreement. Such access shall occur during normal business hours upon not less than twenty-four (24) hours advance notice to the Professional.

**VIII. Compliance with Laws; Non-Discrimination; No Kick-Back or Conflict of Interest Certification:**

- A. **Compliance with Laws.** The Professional and its partners, directors, officers, employees, and agents shall at all times comply with all applicable federal, state and local laws, statutes, ordinances, rules,

regulations, codes, standards, and restrictions and all orders and decrees of bodies or tribunals having jurisdiction or authority, which may in any manner affect the provision of services under this Agreement (collectively, “**Laws**”).

- B. **Non-Discrimination.** The Professional shall not illegally discriminate on the basis of race, color, religion, gender, age, national origin, political affiliation, or disability in any contacts with the public with regard to work to be performed under this Agreement nor in regard to employment opportunities nor in the procurement of materials, equipment, leases, or subcontractors.
- C. **No Kick-Back or Conflict of Interest Certification.** The Professional warrants that it has not employed, retained, or paid any person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, and that no Trustee of the Trust has any interest, financially or otherwise in the Professional firm. The Professional further warrants that the Professional shall not receive any compensation, payment, or other item of more than nominal or insignificant economic value for the services provided to the Trust by the Professional under this Agreement, other than the compensation set forth in Section IV of this Agreement; provided, however, that this warranty does not prohibit any of the Professional's board members, directors, officers, employees, agents, or representatives from accepting things such as food or refreshment of insignificant value on infrequent occasions, given that such items are customarily provided. For breach or violation of these warranties, the Trust shall have the right to terminate this Agreement without liability, or, at the Trust’s discretion, to deduct from the consideration to be paid to the Professional hereunder the full amount of any such commission, percentage, brokerage, contingent fee, or other prohibited item of economic value received. The Professional further warrants that neither it nor its board members, directors, officers, or employees now have a conflict of interest in the performance of the Professional’s obligations under this Agreement and that the Professional further agrees for itself, its board members, directors , officers, and employees, that it will not contract for nor accept employment for the performance of any work or services with any individuals, businesses, or governmental entities where such a contract would create a conflict of interest in the performance of its obligations under this Agreement.
- D. **Certification.** The Professional shall, upon executing this agreement, and upon request of the Trust, provide a written attestation that it has no conflicts of interest as provided under A.R.S. §38-511 and, further, that it remains in compliance with Section VIII(C) of this Agreement, such attestation attached here as Exhibit “B” and incorporated herein by reference.



**IX. Licenses, Approvals and Permits:** The Professional shall and agrees to obtain, pay for, and maintain throughout the term of this Agreement all licenses, approvals, and permits necessary for the Professional to perform its services under this Agreement.

**X. Insurance:** Throughout the term of this Agreement, the Professional, at the Professional's sole expense, shall purchase and maintain, from and with an insurance company or companies duly licensed and authorized to do business in Arizona and possessing a current A.M. Best Inc. Rating of A- or higher, insurance policies and endorsements, which are on policies and forms acceptable to the Trust and which meet or exceed the minimum insurance coverage requirements set forth below:

- A. Commercial General Liability ("CGL") Insurance.** CGL insurance, written on a claims occurred basis, with an unimpaired limit of not less than one million dollars (\$1,000,000) for each occurrence, a one million dollar (\$1,000,000) unimpaired products/completed operations aggregate, and a one million dollar (\$1,000,000) unimpaired general aggregate limit.
- B. Automobile Liability.** Commercial/business automobile liability insurance with a combined single limit for bodily injury and property damage of not less than one million dollars (\$1,000,000) each occurrence with respect to any owned, hired, and non-owned vehicles assigned to or used in the performance of the Professional's work or services under this Agreement.
- C. Professional Liability.** Professional Liability insurance covering acts, errors, mistakes, and omissions arising out of the work or services performed by the Professional or any person employed by the Professional, with an unimpaired limit of not less than one million dollars (\$1,000,000) for each claim or occurrence and as an aggregate.
- D. Workers' Compensation.** Workers' Compensation insurance as statutorily required by applicable federal and/or state statutes.
- E. Fidelity Bond.** If the Professional is authorized to hold client money under this Agreement, it shall provide the Trust a fidelity bond protecting against theft of client money by employees of the Professional in an amount not less than one million dollars (\$1,000,000).
- F. Claims Made Policies.** In the event any insurance policy(ies) required by this Agreement is/are written on a "claims made" basis, the Professional shall insure that coverage shall extend for two years past completion and acceptance of the Professional's work or services under this Agreement and shall provide the Trust with evidence of that continued coverage by submittal of an annual certificates of insurance.
- G. Primary Coverage; Deductibles/Retentions.** The Professional's insurance shall be primary insurance with respect to the Trust, and any

insurance or self-insurance maintained by the Trust shall not contribute to it. The insurance policies may provide coverage that contain deductibles or self-insured retentions. Such deductibles and/or self-insured retentions shall not be applicable with respect to the coverage provided to the Trust under such policies. The Professional shall be solely responsible for deductibles and/or self-insured retentions.

- H. **Claim Reporting and Warranty Requirements.** Any failure to comply with the claim reporting provisions of the insurance policies or any breach of any insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the Trust.
- I. **Certificates of Insurance/Policies/Endorsements.** Within ten (10) working days after the first day of the commencement of the term of this Agreement, the Professional shall furnish the Trust with certificates of insurance or formal endorsements issued by the Professional's insurer(s), as verification that policies providing the required coverages, conditions, and limits required under this Agreement are in full force and effect. The Trust reserves the right to request and receive from the Professional within ten (10) working days of any such request, certified copies of any or all of the insurance policies and/or endorsements required under this Agreement. The Trust shall not be obligated, however, to review same or to advise the Professional of any deficiencies in such policies and endorsements, and such receipt shall not relieve the Professional from, or be deemed a waiver of, the Trust's right to insist on strict fulfillment of the Professional's obligations under this Agreement.
- J. **Expiration and Renewal of Policies.** If any of the above-described insurance policies and/or endorsements, expire during the term of this Agreement, the Professional shall forward (or cause to be forwarded) renewal certificates or formal endorsements to the Trust within fifteen (15) calendar days prior to the expiration date, which renewal certificates shall set forth all the information required in the original certificates. Failure to maintain required insurance policies in full force and effect may, at the sole discretion of the Trust, constitute a material breach of this Agreement.
- K. **Survival.** The provisions of this Section shall survive the termination of this Agreement.

**XI. Indemnification.**

- A. Each party agrees to defend, indemnify (to the extent permissible under Arizona law) or hold harmless the other party, its employees, its member employees, agents, affiliates or affiliated entities and their employees, agents or affiliates from and against any and all claims, liabilities, damages, debts, demands, actions, causes of action, and judgments, and all costs and expenses related thereto, including attorney's fees for any and all

injury, liability or damage resulting from a breach of this Agreement, or because of the actions or inactions, by the indemnifying party when such injury, liability or damage is not in whole or in part the result of the breach of this Agreement, or an action or inaction, by the party seeking indemnification, its employees, agents, affiliates or any affiliate member or its employees, agents or affiliates.

- B.** In the event any claim, liability, damage or cause of action is the result of both parties acts or omissions (including those of their employees, agents or affiliates) the amount of responsibility shall be apportioned and each party shall indemnify the other to the extent of their portion of such liability.

**XII. Business Associate Agreement:** Professional agrees to sign the HIPAA Business Associate Agreement attached hereto as Exhibit "C".

**XIII. No Waiver:** No inadvertent or incidental waiver of any term, condition or provision included in this Agreement by either or both the Professional or the Trust shall constitute a breach of this Agreement or justify or authorize a repetition or on-going breach or waiver of that or any other term, condition or provision of this Agreement. In addition, no waiver of any breach of any of the terms, conditions, or provisions included in this Agreement shall be construed as a waiver of any succeeding breach of the same or other terms, conditions, or provisions of this Agreement.

**XIV. Amendment:** This Agreement may only be amended in writing upon mutual agreement of the Professional and the Trust.

**XV. Entire Agreement:** This Agreement, including any amendments hereto, constitutes the entire agreement and understanding between the Trust and the Professional with respect to, and supersedes, any and all prior agreements, understandings, negotiations, and representations regarding, the subject matter of this Agreement.

**XVI. Partial Invalidity; Severability:** If any term, condition or provision of this Agreement or the application thereof to any person or circumstance shall, at any time during the term of this Agreement, or to any extent, be deemed by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of such term, condition or provision to persons or circumstances other than those to which this Agreement is found to be invalid or unenforceable shall not be affected thereby and each remaining term, condition or provision of this Agreement shall remain valid and enforceable to the fullest extent provided by law.

**XVII. Independent Contractor Status:** This Agreement does not create an employee/employer relationship between the parties. Rather, it is understood and agreed that the Professional at all times shall be deemed an independent contractor of the Trust and not an employee of the Trust for any or all purposes, including but not limited to the application of the Americans with Disability Act, Fair Labor Standards Act, minimum

wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, any applicable revenue and taxation law, the Arizona Workers Compensation law, and the Arizona unemployment insurance law, and that employees of the Professional shall in no event be deemed to be employees of the Trust. Subject to the parameters of this Agreement, the Professional will retain sole and absolute discretion in the judgment of the manner and means of carrying out the Professional's activities and responsibilities hereunder. The Professional agrees it is a separate and independent enterprise from the Trust, it has a full opportunity to find other business, it has made its own investment in its business and it will utilize a high level of skill necessary to perform the work, including all services required to be performed by the Professional hereunder. This Agreement shall not be construed as creating any joint employment relationship between the Professional and the Trust and the Trust will not be liable for any obligation incurred by the Professional, including but not limited to unpaid minimum wages, overtime premiums, withholdings of taxes for the Professional and/or the Professional's employees and/or the withholding and payment of Social Security, unemployment payments, and any other withholdings or payments required by Laws including estimated taxes (if applicable) for the Professional or its employees. No agency relationship, except as expressly provided herein, shall exist between the parties as a result of the execution of this Agreement.

**XVIII. Construction; Section Headings:** Whenever the context of this Agreement requires, the singular shall include the plural, and the masculine, neutral or feminine shall include each of the other. This Agreement is the result of negotiations between the Trust and the Professional and shall not be construed for or against the Trust or the Professional as a consequence of its role or the role of its attorney in the preparation or drafting of this Agreement or any amendments hereto. The Section Headings contained in this Agreement are for the convenience and reference of the Trust and the Professional and are not intended to define or limit the meaning or scope of any provision of this Agreement.

**XIX. Choice of Law:** This Agreement is made and to be performed in the State of Arizona and shall be construed, enforced, and governed by the internal, substantive laws of the State of Arizona without regard to conflict of law principals.

**XX. Venue:** The venue for any lawsuit arising between the parties under this Agreement shall be the Superior Court in Maricopa County, Arizona.

**XXI. Inurement; Assignment:** Except as provided in this Agreement to the contrary, all of the terms, covenants and conditions of this Agreement shall be binding upon, and shall inure to the benefit of, each party and the successors and assigns of each party. The Professional shall not assign its rights, duties, or obligations under this Agreement without the prior written consent of the Trust.

**XXII. Voluntary Agreement; Legal Advice:** Each party warrants that it has read and understands this Agreement and knowingly, willingly, and voluntarily entered into and

agreed to all terms contained in this Agreement. Each party further acknowledges that, prior to signing this Agreement, he, she, or it has consulted with and been advised by legal counsel concerning the terms of this Agreement and the legal consequences of entering into this Agreement, or has voluntarily elected not to do so.

**XXIII. Counterpart Signatures:** This Agreement may be executed in any number of counterparts, each of which shall be deemed a duplicate original and all of which when taken together shall constitute one and the same document. Counterparts are effective and binding when this Agreement has been executed by all the parties.

**XXIV. Notices:** All notices required or permitted to be given under this Agreement shall be in writing and shall be given by facsimile, personal delivery, deposit with an overnight express delivery service, such as Federal Express, or deposit in the United States Mail, certified or registered mail, return receipt requested, postage prepaid, addressed to the applicable address set forth below, or such other addresses as hereafter may be designated by prior notice, in writing. Notices pursuant to this Agreement shall be sent to:

**For the Trust:**

Chairperson  
Lake Havasu School District #1 Employee Benefit  
Trust  
c/o Erin P. Collins & Associates, Inc.  
1115 Stockton Hill Road, Suite 101  
Kingman, Arizona 86401  
Facsimile No.: 877.866.5732

**For the Professional to:**

Notices under this Section shall be deemed complete and effective on the date delivered, if the notice is given by facsimile, personal delivery or overnight express delivery service, or four (4) working days after the date of deposit in the Mail, if the notice is sent through the United States Mail.

**XXV. Signatures:** By their signatures set forth below, the Professional and the Trust agree to and accept the terms, conditions and provisions of this Agreement.

**The Professional**

**Trust**

Lake Havasu School District #1  
Employee Benefit Trust

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT “A”**

**ANY EXPENSE NOT SET FORTH ON THE FOLLOWING FEE SCHEDULE OR  
IN AN AMOUNT NOT CUSTOMARILY SUBMITTED BY PROFESSIONAL  
SHALL REQUIRE THE SIGNATURE OF THE CHAIRMAN OF THE TRUST  
BEFORE REIMBURSEMENT WILL BE MADE BY THE TRUST.**

**EXHIBIT "B"**

**ATTESTATION**

By my signature below, I do attest and warrant on behalf of the Professional, as follows:

1. Neither the Professional nor its board members, directors, officers, or employees, now have or will have, during the term of this Agreement, a conflict of interest in the performance of the Professional's obligations under this Agreement and that the Professional further agrees for itself, its board members, directors, officers and employees, that it will not contract for nor accept employment for the performance of any work or services with any individuals, businesses, or governmental entities where such a contract would create a conflict of interest in the performance of its obligations under this Agreement as Conflict of Interest is defined under the provisions of A.R.S. § 38-511.
  
2. The Professional warrants that it has not employed, retained, or paid any person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, and that no member of the Trust Board has any interest, financially or otherwise in the Professional. The Professional further warrants that the Professional shall not receive any compensation, payment, or other item of more than nominal or insignificant economic value for the services provided to the Trust by the Professional under this Agreement, other than the compensation set forth in Section 3 of this Agreement; provided, however, that this warranty does not prohibit any of the Professional's board members, directors, officers, employees, agents, or representatives from accepting things such as food or refreshment of insignificant value on infrequent occasions, given that such items are customarily provided.

FIRM

By: \_\_\_\_\_  
xxxxxxxxxx

Date: \_\_\_\_\_



**EXHIBIT “C”**  
**BUSINESS ASSOCIATE AGREEMENT**  
**HIPAA PRIVACY AND SECURITY RULES**

This Business Associate Agreement (the “Agreement”) is entered into by Lake Havasu School District #1 Employee Benefit Trust, a self-funded health plan, (hereafter “Covered Entity” or “Plan”) and xxxxxxxxxxxx, a Business Associate (“BA” or “Business Associate”) of the Covered Entity. This Agreement supplements and is made a part of the Agreement for legal services (“Underlying Agreement”) entered into between BA and Covered Entity and is effective the 1<sup>st</sup> day of September, 2018 (the “Effective Date”) and will remain in effect unless and until the Underlying Agreement is terminated.

**RECITALS**

**WHEREAS**, pursuant to the Health Insurance Portability and Accountability Act of 1996, Pub. L. 104-191, 110 Stat. 2024 (Aug. 21, 1996) (“HIPAA”), and the HITECH Act of American Recovery and Reinvestment Act of 2009, the Office of the Secretary of the Department of Health and Human Services has issued regulations governing the Standards for Privacy, Security and Breach Notification of Individually Identifiable Health Information at 45 CFR Parts 160 and 164 (“Privacy Rule”, “Security”, “Breach Notification” Rules); and

**WHEREAS**, the HIPAA Rules provide, among other things, that a Covered Entity is permitted to disclose Protected Health Information to a Business Associate and allow the Business Associate to obtain, receive, and create Protected Health Information on the Covered Entity’s behalf, only if the Covered Entity obtains satisfactory assurances in the form of a written contract, that the Business Associate will appropriately safeguard the Protected Health Information; and

**WHEREAS**, the Office of the Secretary of the Department of Health and Human Services has issued regulations requiring certain transmissions of electronic data, for vendors where such electronic data is exchanged, be conducted in specified standardized formats at 45 CFR Parts 160 and 162 (“Electronic Transactions Rule”); and

**WHEREAS**, Covered Entity and Business Associate desire to determine the terms under which they shall comply with the Privacy Rule and the Electronic Transactions Rule for the Business Associates to which this applies;

NOW THEREFORE, the Covered Entity and Business Associate agree as follows:

**1. GENERAL HIPAA COMPLIANCE PROVISIONS**

- 1.1. **HIPAA Definitions.** Except as otherwise provided in this Agreement, all capitalized terms contained in this Agreement shall have the meanings set forth in the Privacy Rule.
  - 1.1.1. The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Secretary,

Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

- 1.1.2. Business Associate. “Business Associate” shall generally have the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean xxxxxxxxxxxx.
- 1.1.3. Covered Entity. “Covered Entity” shall generally have the same meaning as the term “covered entity” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean the Lake Havasu School District #1 Employee Benefit Trust.
- 1.1.4. HIPAA Rules. “HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.
- 1.1.5. “Protected Health Information” (“PHI”) shall have the same meaning as the term “Protected Health Information” in the Security and Privacy Rules, limited to the information received by BA from, or on behalf of the covered Entity.
- 1.1.6. “Electronic Protected Health Information” (“ePHI”) shall have the same meaning as the term “Electronic Protected Health Information” in 45 C.F.R. §160.103.
- 1.2. **HIPAA Readiness.** Business Associate agrees that it will be fully compliant with the requirements of the HIPAA Rules by the compliance dates established under the HIPAA Rules, and Electronic Transactions Rule, if applicable, and will provide the Plan with written certification of such compliance on or before such compliance date[s].
- 1.3. **Changes in Law.** Business Associate agrees that it will comply with any changes in HIPAA and the HIPAA Rules, and the Electronic Transactions Rule, if applicable, by the compliance date established for any such changes and will provide the Plan with written certification of such compliance. If, due to such a change, either or both of the parties are no longer required to treat Protected Health Information in the manner provided for in this Agreement, the parties shall renegotiate this Agreement, subject to the requirements of Section 6. Any such renegotiation shall occur as soon as practicable following the occurrence of the change.
- 1.4. **Nature of Relationship.** The parties acknowledge that:
  - 1.4.1. The Parties to this Agreement are the Covered Entity and the Business Associate.
  - 1.4.2. To the extent that the Plan is required to take any action, or that Business Associate is required to communicate with the Plan, such action shall in fact be taken by, and such communication shall be made to, the Trust Consultant of the Covered Entity.

## **2. TREATMENT OF PROTECTED HEALTH INFORMATION**

- 2.1. **Permitted Uses and Disclosures of Protected Health Information.**
  - 2.1.1. **Uses and Disclosures on Behalf of the Plan.** Business Associate may use PHI in its possession to perform the services set forth in the Underlying Agreement.

- 2.1.2. **Other Permitted Uses and Disclosures.** In addition to the uses and disclosures set forth in Section 2.1.1, Business Associate may use or disclose Protected Health Information under Subpart E, the HIPAA Privacy Rule, of 45 CFR Part 164, to comply with the requirements of Subpart E that apply to the Covered Entity in the performance of the Agreement obligations received from, or created or received on behalf of, the Plan under the following circumstances:
- 2.1.2.1. **Use of Protected Health Information for Management, Administration, and Legal Responsibilities.** Business Associate is permitted to use Protected Health Information if necessary for the proper management and administration of Business Associate or to carry out legal responsibilities of Business Associate.
  - 2.1.2.2. **Disclosure of Protected Health Information for Management, Administration, and Legal Responsibilities.** Business Associate is permitted to disclose Protected Health Information if necessary for the proper management and administration of Business Associate, or to carry out legal responsibilities of Business Associate, provided that the disclosure is required by law, or Business Associate obtains reasonable assurances from the person to whom the Protected Health Information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, the person will use appropriate safeguards to prevent use or disclosure of the information, and the person will notify Business Associate immediately of any instance of which it is aware in which the confidentiality of the Protected Health Information has been breached.
  - 2.1.2.3. **Data Aggregation Services.** Business Associate is also permitted to use or disclose Protected Health Information to provide data aggregation services, as that term is defined by 45 CFR 164.501, relating to the health care operations of the Covered Entity.
- 2.1.3. **Further Uses Prohibited. Except as provided in Section 2.1.1 and Section 2.1.2.** Business Associate is prohibited from further using or disclosing any information received from the Covered Entity, or from any other Business Associate of the Covered Entity, for any commercial purposes of Business Associate, including, for example, “data mining.”
- 2.2. **Minimum Necessary.** Business Associate agrees to make uses and disclosures and requests for Protected Health Information consistent with the Covered Entity’s minimum necessary policies and procedures.
- 2.3. **Prohibited, Unlawful, or Unauthorized Use and Disclosure of Protected Health Information.** Business Associate shall not use or further disclose any Protected Health Information received from, or created or received on behalf of, the Plan, in a manner that would violate the requirements of the Privacy Rule, if done by the Covered Entity.
- 2.4. **Required Safeguards.** Business Associate shall use all appropriate safeguards, and comply with Subpart C, the HIPAA Security Rule, of 45 CFR Part 164 with respect to Electronic Protected Health Information to prevent use or disclosure of Protected Health Information received from, or created or received on behalf of, the Covered Entity other

than as provided for in this Agreement or as required by law. These safeguards will include, but not be limited to:

**2.4.1. Employee /Contractor Education on HIPAA**

- 2.4.1.1. Create a training plan that includes HIPAA and internal policies and procedures pertaining to HIPAA;
- 2.4.1.2. Provide training to all employees, contractors and subcontractors on HIPAA and how the regulations help to prevent the improper use or disclosure of Protected Health Information;
- 2.4.1.3. Document training completion and testing outcomes. Retain training records; and
- 2.4.1.4. Update and repeat training on a regular (annual) basis

**2.4.2. Administrative Safeguards**

- 2.4.2.1. Adopt policies and procedures regarding the safeguarding of Protected Health Information, including a Risk Analysis; and
- 2.4.2.2. Enforce those policies and procedures, including sanctions for anyone found not in compliance.

**2.4.3. Technical and Physical Safeguards**

- 2.4.3.1. Implement appropriate technical safeguards to protect Protected Health Information, including access controls, authentication and transmission security; and
- 2.4.3.2. Implement appropriate physical safeguards to protect Protected Health Information, including workstation security and device and media controls.

2.5. **Mitigation of Improper Uses or Disclosures.** Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

2.6. **Reporting of Unauthorized Uses and Disclosures.** Business Associate shall promptly report in writing to the Covered Entity any use or disclosure of Protected Health Information or a security incident not provided for under this Agreement as required at 45 CFR 164.410, of which Business Associate becomes aware, but in no event later than 5 business days of first learning of any such use or disclosure. Business Associate agrees that if any of its employees, agents, subcontractors, and representatives use or disclose Protected Health Information received from, or created or received on behalf of, the Covered Entity, or any derivative De-identified Information in a manner not provided for in this Agreement, Business Associate shall ensure that such employees, agents, subcontractors, and representatives shall receive training on Business Associate's procedures for compliance with the HIPAA Rules, or shall be sanctioned or prevented

from accessing any Protected Health Information Business Associate receives from, or creates or receives on behalf of, the Plan. Continued use of Protected Health Information in a manner contrary to the terms of this agreement shall constitute a material breach of this Agreement.

- 2.7. **Access to Protected Health Information.** Within 10 days of a request by the Covered Entity on behalf of an individual, Business Associate agrees to make available to the Covered Entity per 45 CFR 164.524 (or, at the direction of the Covered Entity, the Plan participant) any relevant Protected Health Information in either paper or electronic format received from, or created or received on behalf of, the Plan in accordance with the Privacy Rule. If Business Associate receives, directly or indirectly, a request from an individual requesting Protected Health Information, Business Associate shall notify the Plan in writing promptly of such individual's request no later than 5 business days of receiving such a request. Business Associate shall not give any individual access to Protected Health Information unless such access is approved by the Plan.
- 2.8. **Amendment of Protected Health Information.** Within 10 days of a request by the Covered Entity, Business Associate agrees to make available to the Covered Entity any relevant Protected Health Information per 45 CFR 164.526 received from, or created or received on behalf of, the Plan so the Plan may fulfill its obligations to amend such Protected Health Information pursuant to the Privacy Rule. At the direction of the Plan, Business Associate shall incorporate any amendments to Protected Health Information into any and all Protected Health Information Business Associate maintains. If Business Associate receives, directly or indirectly, a request from an individual requesting an amendment of Protected Health Information, Business Associate shall notify the Plan in writing promptly of such individual's request no later than 5 business days of receiving such a request. Business Associate shall not amend any Protected Health Information at the request of an individual unless directed by the Plan. The Plan shall have full discretion to determine whether the requested amendment shall occur.
- 2.9. **Accounting of Disclosures.** Business Associate shall maintain an accounting of disclosures of Protected Health Information it receives from, or creates or receives on behalf of, the Covered Entity in accordance with the Privacy Rule. Within 10 days of a request by the Covered Entity, Business Associate shall make available to the Covered Entity, or, at the direction of the Covered Entity, the Plan participant, the information required to provide an accounting of disclosures in accordance with 45 CFR § 164.528. If Business Associate receives, directly or indirectly, a request from an individual requesting an accounting of disclosures of Protected Health Information, Business Associate shall notify the Covered Entity in writing promptly of such individual's request no later than 5 business days of receiving such a request. Business Associate shall not provide such an accounting at the request of an individual unless directed by the Covered Entity. The Covered Entity shall have full discretion to determine whether the requested accounting shall occur.
- 2.10. **Restrictions and Confidential Communications.** Business Associate shall, upon notice from the Covered Entity in accordance with Section 4.4, accommodate any restriction per 45 CFR 164.522 to the use or disclosure of Protected Health Information and any request for confidential communications to which the Plan has agreed in accordance with the Privacy Rule.
- 2.11. **Subcontractors.** In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, Business Associate shall ensure that any of its agents, including any

subcontractor, to whom it provides Protected Health Information received from, or created, received, maintained or transmitted on behalf of, the Plan agree to all of the same restrictions, conditions and requirements contained in this Agreement or the HIPAA Rules that apply to Business Associate with respect to such information. Business Associate shall not assign any of its rights or obligations under this Agreement without the prior written consent of the Covered Entity. Business Associate shall provide the Covered Entity, for its approval a copy of any agreement with any agent or subcontractor to whom Business Associate provides Protected Health Information received from, or created or received on behalf of, the Covered Entity, prior to its execution.

**2.12. Audit.**

**2.12.1. Audit by Secretary of Health and Human Services.** Business Associate shall make its internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received on behalf of, the Covered Entity, available to the Secretary of Health and Human Services upon request for purposes of determining the Covered Entity's compliance with the HIPAA Rules.

**2.12.2. Audit by the Covered Entity.** Business Associate shall make its internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received on behalf of, the Covered Entity, available to the Covered Entity, within 14 business days of the Covered Entity's request for the purposes of monitoring Business Associate's compliance with this Agreement, the HIPAA Rules, and other applicable law.

**3. STANDARD ELECTRONIC TRANSACTIONS.**

The following section applies if this Business Associate will engage in standardized transactions.

- 3.1. The parties agree that Business Associate shall, on behalf of the Covered Entity, transmit data for transactions that are required to be conducted in standardized format under the Electronic Transactions Rule.
- 3.2. Business Associate shall comply with the Electronic Transactions Rule for all transactions conducted on behalf of the Covered Entity that are required to be in standardized format.
- 3.3. Business Associate shall ensure that any of its subcontractors to whom it delegates any of its duties under its contract with the Plan, agrees to conduct and agrees to require its agents or subcontractors to comply with the Electronic Transactions Rule for all transactions conducted on behalf of the Covered Entity that are required to be in standardized format.

**4. OBLIGATIONS OF COVERED ENTITY**

- 4.1. **Notice of Privacy Practices.** The Covered Entity shall provide Business Associate with the notice of privacy practices that the plan produces in accordance with 45 CFR 164.520, as well as any changes to such notice.
- 4.2. **Revocation of Permission.** The Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by any individual to use or disclose

Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.

- 4.3. **Notice of Restrictions.** The Covered Entity shall notify Business Associate of any restriction to the use or disclosure of Protected Health Information that the Covered Entity has agreed to in accordance with 45 CFR § 164.522.
- 4.4. **Notice of Restrictions and Confidential Communications.** The Covered Entity shall notify Business Associate of any restriction on the use or disclosure of Protected Health Information and any request for confidential communications to which, in accordance with the HIPAA Rules, the Covered Entity has agreed.
- 4.5. **Permissible Requests by the Covered Entity.** Except as provided in Section 2.1, the Covered Entity shall not request that Business Associate use or disclose Protected Health Information in any manner that would not be permissible under the HIPAA Rules if done by the Covered Entity.

## **5. LIABILITY**

- 5.1. **Indemnification.** Business Associate shall be solely responsible for, and shall indemnify and hold the Covered Entity harmless from any and all claims, damages, or causes of action (including the Covered Entity's reasonable attorneys' fees) arising out of the acts or omissions of Business Associate or Business Associate's employees, agents, and subcontractors, and Business Associate will pay all losses, costs, liabilities, and expenses agreed to in settlement of, or in compromise of, or finally awarded the Plan in connection with such claims or actions. The Covered Entity shall notify Business Associate promptly of any action or claims threatened against or received by the Covered Entity and provide Business Associate with such cooperation, information, and assistance as Business Associate shall reasonably request in connection therewith. This Section 5.1 shall survive the termination of this Agreement.
- 5.2. **Insurance Coverage.** Business Associate agrees that it will purchase, if available and at its own expense, an insurance policy that will insure against any violations of the Privacy Rule by Business Associate or its employees, agents, subcontractors, and representatives with respect to Protected Health Information it receives from, or creates or receives on behalf of, the Covered Entity. Such insurance policy will be effective no later than the Effective Date of this Agreement.

## **6. AMENDMENT AND TERMINATION**

- 6.1. **Term.** The term of this Agreement shall be effective as the Effective Date and shall terminate at the termination of the Underlying Agreement or on the date the Covered Entity terminates for cause as authorized in 6.2.
- 6.2. **Termination for Violation of Agreement.** If the, Covered Entity, in its sole discretion, determines that Business Associate has violated a material term of this Agreement with respect to Protected Health Information it receives from, or creates or receives on behalf of, Covered Entity, this Agreement may be terminated by the Plan effective upon Business Associate's receipt of written notice from the Covered Entity, provided that Business Associate shall continue to comply with Section 6.4 after termination of this Agreement.

- 6.3. **Termination of Underlying Agreement.** This Agreement shall terminate upon the termination of the Underlying Agreement, provided that Business Associate shall continue to comply with Section 6.4 hereof after termination of this Agreement.
- 6.4. **Return of Protected Health Information.** At termination of this Agreement or the Underlying Agreement, whichever shall be first to occur, Business Associate shall return to the Covered Entity all Protected Health Information received from, or created or received on behalf of, that Business Associate maintains in any form and shall retain no copies of such information. If such return is not feasible, Business Associate shall destroy such Protected Health Information and/or extend the protections of this Agreement to such Protected Health Information retained by Business Associate and limit further uses and disclosures and apply appropriate safeguards to those purposes that make the return or destruction of the information infeasible. Notwithstanding the foregoing, Business Associate shall not destroy any Protected Health Information in less than six (6) years from the date it is received by Business Associate.
- 6.5. **Amendment to Comply with Law.** The Parties acknowledge that state and federal laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to provide for procedures to ensure compliance with such developments, The Parties agree to take such action as is necessary to comply with the standards and requirements of HIPAA, the HIPAA Regulations and other applicable laws relating to the security or confidentiality of PHI. Upon either Party's request, the other Party agrees to promptly enter into negotiations concerning the terms of an amendment to this Agreement

## **7. MISCELLANEOUS PROVISIONS**

- 7.1. **Third-Party Beneficiary.** No individual or entity is intended to be a third-party beneficiary to this Agreement or the Underlying Agreement, if separate.
- 7.2. **Severability.** If any term or other provision of this Agreement is determined to be invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to affect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible. If any provisions of this Agreement shall be held by a court of competent jurisdiction to be no longer required by the Privacy Rule, the parties shall exercise their best efforts to determine whether such provision shall be retained, replaced, or modified.
- 7.3. **Procedures.** The parties shall comply with procedures mutually agreed upon by the parties to facilitate compliance with HIPAA Rules, including procedures for employee sanctions and procedures designed to mitigate the harmful effects of any improper use or disclosure of the Plan's Protected Health Information.
- 7.4. **Regulatory Reference.** A reference in this Agreement to a section of the HIPAA Rules meant the section as in effect, or as amended.



- 7.5. **Choice of Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Arizona except to the extent federal law applies. The parties hereby submit to the jurisdiction of the courts located in the State of Arizona including any appellate court thereof.
- 7.6. **Headings.** The headings and subheadings of the Agreement have been inserted for convenience of reference only and shall not affect the construction of the provisions of the Agreement.
- 7.7. **Cooperation.** The parties shall agree to cooperate and to comply with procedures mutually agreed upon to facilitate compliance with the Privacy Rule, including procedures designed to mitigate the harmful effects of any improper use or disclosure of the Plan's Protected Health Information.
- 7.8. **Notice.** Other than notices specifically required by law, Notice under this agreement shall be given in the manner and to those persons or entities that are to be provided notice in the Underlying Agreement.
- 7.9. **Survival.** The obligations of the Business Associate under this Section shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this BA Agreement to be signed and delivered by their duly authorized representatives, as of the BA Agreement Effective Date.

**XXXXXXXXXXXXX:**

**Lake Havasu School**  
**District #1 Employee**  
**Benefit Trust:**

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name, Title

\_\_\_\_\_, Chairman  
Print Name, Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State

\_\_\_\_\_  
City, State

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Telephone Number

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# **MEMORANDUM**

TO: **LHSEBT Trustees**

FROM: **ERIN P. COLLINS & ASSOCIATES, INC. (ECA)**  
Jaime Schulenberg, Sr. Account Manager

DATE: July 12, 2018

RE: Ratification of Reinsurance

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ECA renewed stop loss coverage with Liberty effective July 01, 2018. We had originally budgeted a 35% increase in both the specific and aggregate reinsurance line items, however the overall renewal came in at approximately 59% over the current rates. As Trustees are aware, this significant increase is due to the addition of Rx to the coverage as well the impact of several ongoing large cases.

Attached is a comparison spreadsheet laying out the numerous options we reviewed. In addition, eleven carriers declined to quote citing a variety of reasons including the large claims, uncompetitive rates and the loss ratio. The specific deductible was maintained at \$130,000; the contract is a PAID contract which means that the Plan will be reimbursed for eligible claims that are paid during the plan year. You may notice that there are several "lasers" on the comparison spreadsheet. For the 2018-19 plan year, the Trust has 3 lasers: One for \$250,000, one for \$175,000 and one for \$450,000. We can discuss these further during the meeting, but for your information, a laser is the deductible that the Trust must pay for a specific person who the insurance carrier believes poses more significant risk. In other words, for the identified three plan members, instead of paying the first \$130,000, the Trust will pay the first \$250,000, \$175,000 or \$450,000 respectively before being eligible for reinsurance reimbursement.

As a result of the premium coming in higher than budgeted, approximately \$69,119 has been moved from the claim line items in the budget to the specific and aggregate reinsurance lines. We will adjust these lines accordingly when we prepare the budget for 2019-20.

We would request that the Board ratify this renewal during the meeting on July 19, 2018.

If you should have any questions between now and the date of the meeting, feel free to call or email me at (928) 753-4700 x302 or [jaimes@ecollinsandassociates.com](mailto:jaimes@ecollinsandassociates.com).

Lake Havasu Schools Employee Benefit Trust  
Reinsurance Renewal Comparison  
Effective July 1, 2018

		Outsource Marketing(Incumbent)			Stealth			Symetra		
		Liberty Mutual (Incumbent)			HCC			Greenwich		
Specific Stop-Loss	Current - Out Source (Liberty)	Option 1	Option 2	Option 3	Option 1	Option 2	Option 3	Option 1	Option 2	Option 3
Contract Type: Med/Rx	Paid Med Only	PAID Med/Rx	PAID Med/Rx	PAID	24/12 Med/Rx	24/12 Med/Rx	24/12 Med/Rx	PAID Med/Rx	PAID Med/Rx	PAID Med/Rx
Lifetime Max: Annual Max: Reimbursement %	Unlimited Unlimited 100%	Unlimited Unlimited 100%	Unlimited Unlimited 100%	Unlimited Unlimited 100%	Unlimited	Unlimited	Unlimited	Unlimited Unlimited	Unlimited Unlimited	Unlimited Unlimited
Specific Deductible: <i>Laser:</i>	\$ 130,000	\$ 130,000 \$ 250,000 \$ 450,000 \$ 175,000	\$ 150,000 \$ 250,000 \$ 450,000 \$ 175,000	\$ 170,000 \$ 250,000 \$ 450,000 \$ 175,000	\$ 130,000 \$ 265,000 \$ 400,000 \$ 350,000	\$ 150,000 \$ 265,000 \$ 400,000 \$ 350,000	\$ 170,000 \$ 265,000 \$ 400,000 \$ 350,000	\$ 130,000 \$ 350,000 \$450,000 or \$900,000 \$ 375,000 \$ 300,000	\$ 150,000 \$ 350,000 \$450,000 or \$900,000 \$ 375,000 \$ 300,000	\$ 175,000 \$ 350,000 \$450,000 or \$900,000 \$ 375,000 \$ 300,000
Rates: EE ES EC EF	\$ 33.06 \$ 65.85 \$ 58.27 \$ 98.90	\$ 52.51 \$ 104.60 \$ 92.58 \$ 157.11	\$ 46.63 \$ 92.89 \$ 82.21 \$ 139.52	\$ 42.31 \$ 84.28 \$ 74.59 \$ 126.59	\$ 49.54 \$ 98.69 \$ 87.34 \$ 148.22	\$ 40.06 \$ 79.79 \$ 70.62 \$ 119.85	\$ 34.29 \$ 68.31 \$ 60.46 \$ 102.60	\$ 74.71 \$ 142.84 \$ 127.11 \$ 211.52	\$ 66.09 \$ 125.66 \$ 111.91 \$ 185.71	\$ 57.42 \$ 108.40 \$ 96.63 \$ 159.78
Annualized Premium:	\$ 281,607.48	\$ 447,322.92	\$ 397,234.80	\$ 360,425.52	\$ 422,021.04	\$ 341,245.68	\$ 292,117.80	\$ 621,246.48	\$ 547,793.28	\$ 473,952.84
\$ Difference vs. Current	N/A	\$ 165,715.44	\$ 115,627.32	\$ 78,818.04	\$ 140,413.56	\$ 59,638.20	\$ 10,510.32	\$ 339,639.00	\$ 266,185.80	\$ 192,345.36
% Increase vs. Current	N/A	58.85%	41.06%	27.99%	49.86%	21.18%	3.73%	120.61%	94.52%	68.30%

Aggregate Stop-Loss	Current	Option 1	Option 2	Option 3	Option 1	Option 2	Option 3	Option 1	Option 2	Option 3
Contract Type:	PAID	PAID	PAID	PAID	24/12	24/12	24/12	PAID	PAID	PAID
Attachment Factors: EE ES EC EF	\$ 434.18 \$ 864.88 \$ 765.45 \$ 1,299.06	\$ 549.64 \$ 1,094.88 \$ 969.01 \$ 1,644.51	\$ 560.52 \$ 1,116.54 \$ 988.19 \$ 1,677.06	\$ 571.40 \$ 1,138.24 \$ 1,007.38 \$ 1,709.64	\$ 524.48 \$ 1,044.76 \$ 924.66 \$ 1,569.25	\$ 553.27 \$ 1,102.11 \$ 975.41 \$ 1,655.38	\$ 578.17 \$ 1,151.71 \$ 1,019.31 \$ 1,729.88	\$ 538.99 \$ 1,073.67 \$ 950.22 \$ 1,612.65	\$ 552.29 \$ 1,100.16 \$ 973.68 \$ 1,652.46	\$ 567.96 \$ 1,131.37 \$ 1,001.30 \$ 1,699.32
Projected Attachment Point:	\$ 3,698,663.16	\$ 4,682,239.08	\$ 4,774,912.44	\$ 4,867,638.00	\$ 4,467,924.24	\$ 4,713,168.72	\$ 4,925,285.52	\$ 4,591,513.56	\$ 4,704,829.80	\$ 4,838,293.92
\$ Difference vs. Current	N/A	\$ 983,575.92	\$ 1,076,249.28	\$ 1,168,974.84	\$ 769,261.08	\$ 1,014,505.56	\$ 1,226,622.36	\$ 892,850.40	\$ 1,006,166.64	\$ 1,139,630.76
% Increase	N/A	26.59%	29.10%	31.61%	20.80%	27.43%	33.16%	24.14%	27.20%	30.81%
Projected Annual Funding:	\$ 3,368,628.00	\$ 5,094,501.36	\$ 5,094,501.36	\$ 5,094,501.36	\$ 5,094,501.36	\$ 5,094,501.36	\$ 5,094,501.36	\$ 5,094,501.36	\$ 5,094,501.36	\$ 5,094,501.36
Difference (Unfunded Liability)	\$ 330,035.16	\$ (412,262.28)	\$ (319,588.92)	\$ (226,863.36)	\$ (626,577.12)	\$ (381,332.64)	\$ (169,215.84)	\$ (502,987.80)	\$ (389,671.56)	\$ (256,207.44)
Rates: Per Emp Per Month	\$ 1.87	\$ 2.87	\$ 2.87	\$ 2.87	\$ 3.85	\$ 3.92	\$ 4.02	\$ 1.70	\$ 1.94	\$ 2.19
Annualized Premium:	\$ 11,220.00	\$ 17,220.00	\$ 17,220.00	\$ 17,220.00	\$ 23,100.00	\$ 23,520.00	\$ 24,120.00	\$ 10,200.00	\$ 11,640.00	\$ 13,140.00
\$ Difference vs. Current	N/A	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 11,880.00	\$ 12,300.00	\$ 12,900.00	\$ (1,020.00)	\$ 420.00	\$ 1,920.00
% Increase	N/A	53.48%	53.48%	53.48%	105.88%	109.63%	114.97%	-9.09%	3.74%	17.11%

Total Package Cost:	\$ 292,827.48	\$ 464,542.92	\$ 414,454.80	\$ 377,645.52	\$ 445,121.04	\$ 364,765.68	\$ 316,237.80	\$ 631,446.48	\$ 559,433.28	\$ 487,092.84
Difference vs. Current:	N/A	\$ 171,715.44	\$ 121,627.32	\$ 84,818.04	\$ 152,293.56	\$ 71,938.20	\$ 23,410.32	\$ 338,619.00	\$ 266,605.80	\$ 194,265.36

FIRM	FIRM	FIRM
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Census as of March 2018	
EE	343
ES	50
EC	43
EF	64

# **MEMORANDUM**

TO: **LHSEBT Trustees**

FROM: **ERIN P. COLLINS & ASSOCIATES, INC. (ECA)**  
Jaime Schulenberg, Sr. Account Manager

DATE: July 12, 2018

RE: Approval of February 07, February 21, March 08, April 25, May 11 and June 29, 2018  
Regular and Executive Meeting Minutes

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Attached are the minutes from the Trust meetings held on February 07 and 21, March 08, April 25, May 11 and June 29, 2018. Copies of the minutes were previously provided to Trustees via email for review and revision; as of the date of this memo, our understanding is that there were no requested changes to the minutes other than May 11, 2018. Please note that Executive Meeting Minutes from April 25, May 11 and June 29 will be distributed for your review at the meeting in accordance with guidance from legal counsel.

We would request approval of the minutes as presented.

If you should have any questions between now and the date of the meeting, feel free to call or email me at (928) 753-4700 x302 or [jaimes@ecollinsandassociates.com](mailto:jaimes@ecollinsandassociates.com).



**LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST**  
**BOARD OF TRUSTEES – NOTICE OF TRUST MEETING**

**Tuesday, February 07, 2018 8:00 a.m.**  
**2200 Havasupai Blvd. – Governing Board Conference Room**  
**Lake Havasu, AZ 86403**

**MEMBERS OF THE LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST  
BOARD OF TRUSTEES WILL ATTEND EITHER IN PERSON OR BY TELEPHONE CONFERENCE  
CALL.**

The Board of Trustees (the "Board") of the Lake Havasu Unified School District Employee Benefit Trust (LHSEBT) may, by motion, recess into Executive Session for discussion and consultation with attorney(s) for the Board to receive legal advice on any item contained in this Agenda pursuant to ARS 38-431.03 (A)(3) or for discussion or consideration of records exempt by law from public inspection in accordance with ARS 38-431.03 (A)(2) on any item contained in this agenda.

**AGENDA**

- |  |                                       |
|--|---------------------------------------|
| 1. Call to Order   | Kari Thompson, Chairperson            |
| 2. Roll Call   | Naomi Morgan, Trust Secretary         |
| 3. Pledge to the Flag                                      | Kari Thompson, Chairperson            |
| 4. Call to the Public                                      | Kari Thompson, Chairperson            |
| 5. Consent Agenda  | Kari Thompson, Chairperson            |
| 6. Opening Remarks   | Erin Collins, ECA                     |
| 7. 2017 Medical Claims Review                              | Joyce Perez, Gilsbar                  |
| 8. 2017 Utilization and Case Management Review             | Jeff Jennings, AHG                    |
| 9. 2017 Prescription Claims Review                         | Chris Schanz, National Cooperative Rx |
| 10. 2017 Dental Claims Review                              | Rich Hanna, Ameritas                  |
| 11. 2017 Vision Claims Review                              | James Totten, United Healthcare       |
| 12. Discussion and Possible Action re Financial Statements | Mike Bonney, GDK CPA, LLC             |
| 13. Review of Actuarial Rate Methodology and GASB Analysis | Michael Schionning, Cheiron           |
| 14. Health and Wellness Clinic Review                      | Sharon Radetic, Cerner                |

- |   |                            |
|---|----------------------------|
| 15. Discussion and Possible Action re Benefits and Rates                                    | Erin Collins, ECA          |
| 16. Discussion and Possible Action re Vendor Contract Amendments                            | Erin Collins, ECA          |
| 17. Discussion and Possible Action re Strategic Plan  | Erin Collins, ECA          |
| 18. Approval of the November 15 Work Session and December 8, 2017 Executive Meeting Minutes | Kari Thompson, Chairperson |
| 19. Discussion and Possible Action re Election of Officers                                  | Erin Collins, ECA          |
| 20. Administrative Update   | Jaime Schulenberg, ECA     |
| 21. Future Agenda Items   | Kari Thompson, Chairperson |
| 22. Set Next Meeting Date – February 21, 2018   | Kari Thompson, Chairperson |
| 23. Adjourn   | Kari Thompson, Chairperson |

**Note: Unless Otherwise Indicated, All Agenda Items Are Potential Action Items**

Pursuant to the Americans with Disabilities Act (ADA), LHSEBT endeavors to ensure the accessibility of all its programs, facilities and services to all persons with disabilities. If you need an accommodation for this meeting, please contact Michael Murray at (928) 505-6937. Requests should be made as early as possible to arrange the accommodation.

**PLEASE POST NO LATER THAN 8:00 A.M., TUESDAY, FEBRUARY 06, 2018**

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**BOARD OF TRUSTEES MEETING – FEBRUARY 7, 2018**

**TRUST MEMBERS PARTICIPATING**

Kari Thompson, Marcia Cox, Hal Christiansen, Dr. Fadi Atassi, Sam Scarmardo  
and Pat Rooney (non-voting member)

**OTHERS PARTICIPATING**

Mike Murray, Diana Asseier, Kelly Morrison, Cheri Tropple, Bonnie Breazeal & Mary Heronema – LHUSD#1  
Erin Collins, Jaime Schulenberg, Elena Lacy & Missy Jenson - Erin P. Collins Associates  
Joyce Perez – Gilsbar  
Jeff Jennings - AHG  
Chris Schanz – National Cooperative Rx  
Rich Hanna – Ameritas  
James Totten – United Healthcare  
Mike Bonney – GDK CPA, LLC  
Michael Schionning – Cheiron  
Sharon Radetic, Chrissy Carmack, Christa Roberts, Stephanie Lewis, Dalton Jones and Dakota Zeik – Cerner  
(By WebEx)

**OTHERS ATTENDING (PER SIGN IN SHEET)**

Nina Mersing, Claude Sanders, Nichole Cohen, & Carol Nowakowski

Meeting called to order at 8:05 a.m. Roll call was taken. Pledge to the flag followed with moment of silence.

Kari Thompson asked for "Calls to the Public." There were none.

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**Opening Remarks: Erin Collins, ECA**

Different vendors will be presenting (about 2 hours). Cerner unable to attend in person, so they will present on clinic operations via WebEx. Then will go into actuary perspective, how rates are developed. There will be a side discussion of the GASB liability changes. That is how employees look at the value of the retiree benefits that have been earned. There has been a change in the methodology and involves a question for the district when they adopt that change and how the evolution will change. Current estimate on that liability is unfunded at 14 million. Look at how it's running and operating and then go into the budget building process. It's a highly interactive process. Once the district and Trustees make changes, each decision has a financial consequence due to the rates. Depending on how the meeting goes, may need to have another session to go over the rates. The Trust is in a declining financial



position. The current rates are inadequate, both on the active and retiree level. Will need to build a plan to reverse fortunes overtime. There is some reserve in the Trust. It is declining and will need to come up with a plan. There are three subsidies that the district built in with retirees. One is cash subsidies that help offset the cost. That is direct. The indirect, the district is using a composite rate structure instead of separating the retiree and active rate when the retiree rate is built to absorb liability, they are combined. Active rates is increased, so active subsidizes the retirees. Third, the underlying rate is not actuarially adequate to begin with as its funding loss. It becomes a third form of subsidies. Once done, will look at end to end review issued in December. Erin Collins and Associates recommended project is this coming year forward and recommend priorities. May want to add, change or delete some items. Will make sure this information goes out to the board and employees and fully transparent and arrange meetings for staff to get the message. This is potentially serious situation on finance and time to correct it.

#### **2017 Medical Claims Review: Joyce Perez, Gilsbar**

- Pareto Analysis.
- Total Top Major Diagnostic Categories – Medical Only.

Marcia Cox asked to clarify if Pareto Analysis and Major Diagnostic included Rx or expenses for the clinic.

Joyce Perez replied that they do not include Rx. It is only medical claims through the health plan.

- Employee vs. Dependent Claims – Medical Claims only.
- Discount Evaluation – Blue Cross Blue Shield Network, also PHCS Lab Network. 98% of claims are running through the plan through Blue Cross PPO Network.
- EE/ER Cost Share (Employee/Employer) – Slight increase on employee cost while employer (Trust) cost went down.

Marcia Cox asked how that factors in with the district paying that additional dependent premium.

Joyce Perez replied it does not take into consideration the actual premiums. This only includes deductibles, copays and co-insurance.

- Inpatient Admits – 68% of members who have had an inpatient hospital stay are using Havasu Regional Medical Center. The average cost is over \$6,600.00.
- Utilization Analysis – PMPM Bases (Per Member Per Month) – Office visits averaging about \$6.00, inpatient hospital averaging about \$38.00, routine wellness office visits \$3.00 and emergency hospital \$24.00.
- Customer Contact Calls and myGilsbar.com logins – Customer calls, 11% of members and myGilsbar.com logins, 20% of members. Need to communicate and promote to the members to use these services.

#### **2017 Utilization and Case Management: Jeff Jennings, AHG (American Health Group)**

- Pre-Certification and utilization review case management
- Inpatient admission summary
  - Comparing days request and days used.
  - Trying to get someone out of the hospital quicker.

- Savings by reducing hospital stays.
- Pre-Certification makes sure things are medically necessary.
- Doctors and nurses on staff to assist with the process.

Nicole Cohen asked what DRG is.

Marcia Cox responded with, Diagnostic Related Groups.

Jeff Jennings commented they make sure the patient is getting the best care and plan.

Sam Scarmardo questioned under the plan, a colonoscopy is pre-certifiable to assure medically necessary.

Erin Collins clarified Sam's question. There are two types; a screening colonoscopy and a diagnostic. Screening under Federal law, you get one preventative screening every 10 years if you are 50+. If you are systematic, and need further treatment, that is when it is pre-certification.

- Admission Type Breakdown
  - Estimate \$750.00 per day for a stay in a hospital, which is low.

Marcia Cox asked how they came up with the \$750.00 figure.

Jeff Jennings responded that they try to low ball the number on overall happenings in a hospital day. A generic number they came up with after looking at different cost.

- Admission Rate Benchmark
  - Different institutions in Book of Business uses to compare each group.
- Hospital Days Benchmark
  - Use the same method.

Dr. Fadi Atassi asked how you predict the 146.3.

Jeff Jennings responded that some depend on each group as some are higher & some lower.. Use an average for the entire book.

Marcia Cox confirmed this represents all the customers that you have in the companies.

- Top 5 Disease Categories
- Utilization Profile
  - 2016 – 64% of employees
  - 2017 – up to 6% using plan

Marcia Cox verified when utilizing pre-certs, it's nothing to do with regular office visits.

- Case Management
  - Will show how many on case management and how many discharged, so numbers may seem off as some numbers are not discharged. Not going to discharge until done with case management. Could still be going through services into the following year. Will not be discharged due to the end of year. Trying to inform members there are nurses to help is they make that phone call.

Marcia Cox stated that it shows 29 admissions and out of that 29, only 7 admitted under case management and 5 discharged. Some of the 29 do not need case management such as surgery, cancer, diabetes, and heart disease.

Veronica responded that when something is pre certified, they will reach out to the patient to help manage on their own. That way a case manager would not be needed. Case managers will work with doctors' offices until the patient feels they have things under control on their own. Hard part is patients initiating contact.

Erin Collins mentioned one that isn't done well is shortage of beds for detoxification services. They can reach out and request assistance or HR staff can request case management.

- Discharge Reasons
  - Unable to make contact
  - Not appropriate for case management
  - Goals met
- ROI (Return on Investment)
  - For every dollar spent in case management, want to return \$4.00 in savings.

Marcia Cox asked when you calculate ROI, it that patient had not been participating in case management that the cost would have been higher and do you determine that from actual claims or estimates.

Jeff Jennings replied the director of case management takes the cost of days in the hospital, looks at all the different numbers and information to determine. Will find out the numbers Jennifer (case manager) uses and email the information to ECA.

Veronica replied if a case manager helped a patient go from an out of network hospital to in-network or got the patient out of rehab sooner, would run into savings. Depending on the circumstances and transfer of facilities.

#### **2017 Prescription Claims Review: Chris Schanz (National Cooperative Rx)**

- Behind the scenes of the planned participants up to 285
  - Number of prescriptions 4.820
  - Generic Dispensing Rate 82.7%
  - \$120,000 in rebates this year. (Rebate Summary in packet for review)
  - 5% of total planned participants are paying usually see 10-12% on average.
  - Generic Dispensing Rate about 83% which is good. Just shy of the cooperative benchmark at 86%
  - 58% of total gross cost is coming from specialty medications.
  - 97 prescriptions are considered specialty. Almost 60% of drug spend. We are already managing these and have a strategy in place to handle specialty drugs.
- Executive Summary
  - Snapshot comparisons the Trust to the remainder of the coop.
- Top Therapeutic Classes

-Good to see anti diabetics in the top five as a preventative class and to avoid any medical complications.

- Pharmacy Choice

-Most advantages pricing that is offered in the contract is by mail. A lot of members are taking advantage of the 90 day supply which is a larger discount.

Dr. Fadi Atassi questioned the out of pocket for employees the same for local pharmacy or mailing order.

Chris Schanz confirmed there is the copay and should have incentive to go through the mail.

Jaime Schulenberg corrected that there is no incentive for 90 day supply or mailing.

Chris Schanz stated it's a convenience for participants. There is a deeper discount for the plan with mail orders.

Mike Murray confirmed the back end savings that benefits the plan.

Chris Schanz stated some plans require to go through the mail.

Marcia Cox concerns of medications mailed affected by sitting in the heat and asked if there are other arrangements to get the medications.

Chris Schanz replied, yes, they can use cold packs or a cooler upon request. Could also have it mailed to place of work or directly to CVS for pick-up.

Kari Thompson replied there used to be advantages of mailing but once switched over, there wasn't a big cost difference. Easier to pick up at CVS.

Dr. Fadi Atassi suggested may want to make an incentive.

Marcia Cox asked if there is auto fill.

Chris Schanz replied something would have to be set up for auto fill.

- Cooperative Wide Update (review packet)
- Specialty Cost Share Tier
  - ECA recommends \$200.00 cap.
  - Straight 10% co-insurance specialty drugs.
  - Found coupon and manufacture will pay up to 75% of what the members are being asked to pay.

Sam Scarmardo replied the coupons do not work if you have Medicare Plan D or anything similar in a government program.

Chris Schanz responded a vast majority of groups have a tier for specialty drugs. You are in the minority.

Hal Christiansen, going back to prescription by mail, individual member may not see a savings but the Trust will see a savings. Lowering costs for participants and potentially mail to work.

Chris Schanz replied yes, there is opportunity there and an increase in mail order could save plan dollars.

Pat Rooney asked if participants would be notified of the delivery.

Chris Schanz responded that it can be tracked on line.

#### **2017 Dental Claims Review: Rich Hanna (Ameritas)**

- Paid Claims
  - Down 12.6%. Roughly \$28,000 savings year to year.
  - 99.8% of claims run through network
- Return on Investment
  - Last six years spend about \$613,000 between network and claims savings. Just over a million dollars in savings for the Trust.
- Paid Claims by Procedure Type
- PPO Claims
  - Benchmark 81.6% throughout the state.
  - See network utilization.
  - Above benchmark savings, especially being out of a metro city.

#### **2017 Vision Claims Review: James Totten (United Healthcare)**

- Vision care can predict 28 diseases by looking in the eye.
  - Catch early, can save on medical expenses.
- Network Utilization
  - Half private practice, half large retail chains.
- Do not need ID card
- Price cap in network
  - Poly carbs for kids – n/c
  - Scratch resistant – n/c
  - Anti-reflective coating - \$40.00
  - Progressives (4 levels) start at \$70.00 and go up to \$250.00

Came in July of 2017 with rate guarantee until 2020. Rates for employees will not change on fully insured rate. Members are using plan and it spikes right before the start of school.

Marcia Cox asked if there was a significant difference in the benefit with this plan compared to the previous plan that would see a high utilization the first year.

James Totten does not have the answer to that.

Kari Thompson stated on a personal note, it was cheaper prior, not to use insurance and paid out of pocket for glasses.

James Totten stated with the plan now, \$10.00 copay for exam, \$10.00 copay for materials, pay up to \$100.00 on frames and \$105.00 on contacts. There are four private practice providers in LHC. South Western Eye Center (In Network), Havasu Eye Center (In Network), LHC Family (Out of Network), and Riverview (Out of Network). For the large retail chains, Wal-Mart and JC Penny (Nationwide). Wal-Mart is cheaper than private practice due to higher volume of inventory. Do not have any out of network claims currently.

Marcia Cox verified no claims at South Western Eye Center.

James Totten confirmed and stated that South Western Eye Center is also Mohave Eye Center.

Kari Thompson asked if there have been any feedback. Some employees have tried using JC Penny Center and were told they were not a provider and getting turned away.

James Totten stated that JC Penny was brought on in the middle of the year. They are selling Optical Vision. Members can call or print ID card in line. The network known as Spectra Network branding.

Kari Thompson verified the rate guarantee till 2020, would that stay in effect if there were changes in the plan.

James Totten replied it's something to look into.

Kari Thompson questioned if recruiting providers will continue.

James Totten confirmed they will and that Riverview is out. They have tried multiple offers and have been declined.

**Financial Update: Mike Bonney, GDK CPA, LLC**

Each Trustee has a copy of December Statement. Prepared on modified cash basis. Audit required to be performed on a true accrual basis. Benefit using modified cash basis, some unfunded liabilities. When audit report received at end of year will make any necessary adjustments. Just spoke to auditor during break. Claims received, but not paid which is not reflected in the financial statements.

- **Statement of Net Assets**
  - As of December, there were two accounts. One at Wells Fargo and the other at Morgan Stanley. Still showing Morgan Stanley, as the district was waiting for all checks to clear out of one account before funds can be moved over. Informed yesterday that those funds were transferred to Wells Fargo and Morgan Stanley accounts are now closed.
  - Money transferred two days ago was \$929,220.09. The difference is made up of two components. Very old, outstanding checks at approximately \$6,900.00 that were over a year old. Staff researched and determined to void the checks. The other is \$144,000.00. Had difficulty identifying the beginning balance and worked with staff and auditor. Need to make the necessary adjustments as of June 30, 2017 for the \$144,000.00 to reduce money to \$929,220.09 that was transferred from Morgan Stanley to Wells Fargo account. Will come into balance with auditors report.
- **Statement of Activity**
  - Miscellaneous expenses at \$114,000.00 was unavailable to review in full when sent out. Amount was misclassified. Will make those corrections. Can either restate and reissue December Financials or make adjustments with January Financials. Opinion, it would be cleaner if restate December Financials and send to Mr. Murray and disperse to Trustees.

Hal Christiansen questioned the \$6,900.00 outstanding checks, if they are payable to vendors.

Mike Bonney confirmed and that they were possibly paid again and checks were never voided.

Nichole Cohen questioned the \$144,000.00 if that was from the Morgan Stanley account.

Mike Bonney replied that they started in middle of a year. Tried to start with one month and go forward. Could not reconcile, so it was necessary to go back to the beginning of that fiscal year. At that time, the audit had not been completed and was waiting for the audit reports and knew there would be an issue. The \$144,000.00 was prior to firm coming on board.

Marcia Cox asked if that part goes back when we didn't have any bank reconciliation.

Mike Bonnie confirmed that is correct.

Marcia Cox asked if we could go back to the last audit and that \$144,000.00. Would have happened between that audit and when you started.

Mike Bonney replied that it would have been prior to June 30, 2016.

Marcia Cox asked if we can find out when bank reconciliation stopped.

Mike Murray agreed we can go back in files and see when it actually stopped.

Mike Bonney will be getting Financial Statements more organized and understandable between now and July 2018. Crucial at year end.

Erin Collins showed graph of bank balance for the Trust since January 2014. District contribution, one million. District budgeted 10% increase.

Kari Thompson clarified the districts contribution was \$500,000.00.

Mike Murray commented no, the 1.066 was pro 123 that was actually fought for the year before deposited in February.

#### **Review of Actuarial Rate Methodology and GASB Analysis PART 1: Michael Schionning, Cheiron**

- Projection Methodology - Look at medical, drug and dental.
  - Medical Plan – Over last few years, medical has been improving and coming down.
  - Prescription Drug Plan – Constant increase which is typical.
  - Dental Plan – Since 2016 has been dropping
- Development of Funding Factors
  - From scratch using current Silver vs. Gold Plan, not a huge difference.
- Proposed Benefit Changes
  - Medical/Rx Gold Plan – Add a copay for the Health and Wellness Clinic.
  - Change outpatient behavioral health from 80% and co-insurance to \$55.00 copay.
  - Change non-routine colonoscopy from 100% with no deductible to 80% after deductible.
  - Reduce physician office copay to \$35.00
  - Reduce physician office copay to \$25.00 PCP/\$35.00 specialist.
  - Eliminate MOM as the sole mammography provider.
  - Provide unblended Gold funding rates for active/retiree.
  - Add Rx specialty copay.
- Vision Plan

- Move from fully insured to self-insured plan.
- \$10.00 copay
- Covers exams, frames and lenses. One time each 12 months.

**Health and Wellness Clinic Reviews:** Sharon Radetic, Chrissy Carmack, Christa Roberts, Stephanie Lewis, Dalton Jones and Dakota Zeik, Cerner via WebEx

Stephanie Lewis talked on 2018 Mid-Program Performance Rebuild

WOW 2017 – 2018

- District changed the design structure effective July 2017.
  - Have one initial screening. Believe that is reason for decline in participation.
- Cohort
  - 31% Cohort decreased or maintained zero high risk factors.
  - Cohort Group are members who participated in the program from the start of the program.
  - 215 members of the group.
- Lab and Biometric.
  - No high risk averages.
  - Offered full plate diet to focus on healthy eating.
  - Offered cooking classes to target obesity and cholesterol.
- Health Risks
  - Offer back pain education.
- Next Steps
  - Opportunities of device integration.
  - Onsite fitness classes.
  - Weight loss challenges.

Chrissy Carmack, NP discussed:

- Health Center Utilization
- Population Engagement – monthly incentives.
- Patient satisfaction

Hal Christiansen asked the 275 completed surveys out of 2,374 visits, does everyone have an opportunity to complete a survey.

Chrissy Carmack confirmed yes, they do and try to capture surveys.

Sharon Radetic stated about 2% completing surveys.

Chrissy Carmack stated they are striving coming year, trying to capture 25% per quarter.

Hal Christiansen asked when are patients taking the survey.

Chrissy Carmack replied as patients exit, on their way out, they are asked to complete. iPad is also taken into room as patient is waiting for medication and surveys are all done in person.



Kari Thompson needed clarification on total member visits wellness and biometrics- if they are happening on the same day.

Chrissy Carmack responded they are on the same day but separate them out. One visit for biometrics would be with MA and one visit with provider for coaching.

Kari Thompson asked if any historical data on what visits are trending.

Chrissy Carmack responded that information is on the dashboard. Mike Murray has access to the dashboard information.

Mike Murray stated he can get the information.

Nichole Cohen questioned the 1,535 other visits, are those happening on same day as well as wellness visits.

Chrissy Carmack responded typically no, some have another subject need and checked in as a separate visit.

Mike Murray asked of 1,535 visits, when listed as physical and labs listed separately, will that be recorded as more than one visit.

Chrissy Carmack responded no, that would be one visit if they are there for a physical and labs are on different visits.

Dr. Fadi Atassi asked if they have a number of how many patients checked in a yearly basis regardless who they see.

Chrissy Carmack replied that would be total visits. They check in for every visit.

Marcia Cox wanted to verify the 417 wellness visits and 412 biometric screenings, would have to check in and out for each "visit".

Chrissy Carmack replied MA checks patient out for biometrics and back in again to see provider for coaching visit.

Dr. Fadi Atassi asked in the 1,535, is the 412 included.

Chrissy Carmack replied those are all pulled out. The 1,535 number is all lab except wellness visits.

Erin Collins called to adjourn the meeting for lunch.

Meeting reconvened at 12:17 p.m.

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#### **Review of Actuarial Rate Methodology and GASB Analysis PART 2: Michael Schionning, Cheiron**

Marcia Cox questioned the report on Development of Funding Factors, does not include administrative or stop loss costs.

Michael Schionning confirmed.

Marcia Cox questioned medical experience improving due to services at the clinic.

Michael Schionning confirmed.

- GASB (Government Accounting Standards Board)
  - Sets accounting rules the government has to follow. Retirement and non-pension benefits.
  - GASB 45 applies to the employer
  - GASB 43 is prefunded plan.
  - Change to pension accounting.
  - 75 becomes effective for FY2018.
  - Old CAFR under the current status most information under footnotes.
  - Liability significantly larger.
  - Big issue for EBT-long term expected return of general fund assets.
  - Change to 20 year municipal bond index.
  - Typical policy rules has biggest impact on funded plans – how often you need to do valuations. You are unfunded.
  - Has to be done every two years.
  - Could pick your own valuation date to be 7-1-17 or 1-1-18.

Kathy Cox questioned the inflation phase in an unfunded plan, as inflation increases, how will that affect us.

Michael Schionning replied there is no impact, plane closed.

- Two Subsidies
  - Explicit subsidies, how much premium EBT paying for compared to how much retiree is paying.
  - Implicit subsidies, set rates by blending members.
  - Issue that current premium rates are not enough.
  - Most use Explicit.

Marcia Cox asked when talking about the premiums, are you only district funded.

Michael Schionning responded yes, strictly what EBT funds.

Erin Collins stated this is District Liability current number is \$14 million with new evaluation method and using actuary based premium. The numbers could go up.

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### **Budget Building: Erin Collins**

One of the challenges was data from multiple included Center operating costs in funding projects.

- Make recommendations.
- District has 10% budgeted.
- Base number is higher than that.
- End up with a deficit.
- Differences will publish a correct rate.
- Continue to draw down the surplus while restructure.

Jaime Schulenberg spoke about the operating expenses. Expenses that show in the budget when first working did not have all additional operating expenditures for the clinic. It has developed as time has gone on. Once we go back through and is properly allocated, will make sure Mike has all the numbers. Then will figure claims portion and what can be pulled out.

Memo with assumptions on overall budget with regard to stop loss – does not cover prescription liability.

Jaime Schulenberg stated they built in 35% which will account including Rx stop loss going forward.

Dr. Fadi Atassi questioned the Cerner Management Fee.

Jaime Schulenberg replied the bulk of the fee which is approximately \$54,000.00 is going for staff salary.

Marcia Cox stated it should be 50% staff and 50% proprietary and confidential.

Kari Thompson replied we pay a fixed fee and pay for all the office visits for the staff that are there.

**Benefits and Rates: Jaime Schulenberg**

Options in actuary price and review plan for cost saving opportunities.

Gold Plan, add a copay for clinic visits. Cerner can accept credit/debit cards only and offset invoices opposed to sending money back to Trust for reconciliation.

Claude Sanders concern paying two copays when the nurse practitioners at the clinic are unable to provide the necessary help and member goes to a specialist.

Jaime Schulenberg stated preventative is no cost and a change in community copay to offset cost.

Jaime Schulenberg discussed the change in:

- Behavioral health benefit of \$55.00 copay.
- Routine colonoscopies to 80% after deductible.

Kari Thompson concerned issues of routine colonoscopies change to non-routine if something is found.

Erin Collins replied that will happen if it becomes diagnostic.

Joyce Perez stated it depends on how the claim was submitted and will be working with Erin Collins and Associates with this matter.

Jaime Schulenberg continued with:

- Implementing \$25.00 copay for primary provider and \$35.00 copay for specialists.
- Possibly eliminating MOM as sole mammography provider.
- Vision Plan. Lack of providers and spoke with Vision Care Direct regarding self-funded program.

The rates are higher than current rates.

Erin Collins stated the district budgeted 10% which makes a gap of 18% trying to close.

Jaime Schulenberg stated discussions on trying to find 18% in benefit changes and get there long term.

Erin Collins stated the urgency to get that done in a year.

Kari Thompson questioned the availability on coupons for specialty Rx.

Chris Schanz replied the vast majority have coupons and CVS has case managers that will help with coupon subsidies.

Mike Murray asked if there would be a benefit by bringing us to where the Rx average was.

Jaime Schulenberg responded that they can make some recommendations.

Erin Collins stated they are looking at financially balancing the plan.

Kari Thompson asked if there is a savings to eliminate the Silver Plan.

Jaime Schulenberg replied there is a slight cost to put everyone on the Gold Plan.

Sam Scarmardo questioned legal ratification by getting rid of the clinic.

Erin Collins responded that we are contracted until March 2020. The hospital called about bidding the clinic. There is a meeting set in March.

Erin Collins suggest a 10-minute break.

Meeting reconvened at 2:30 p.m.

Marcia Cox made a motion to move into executive session.

Hal Christensen seconds the motion.

Motion unanimously approved by Trustees in attendance.

Dr. Fadi Atassi made a motion to reconvene from executive session.

Sam Scarmardo seconds the motion.

All unanimous, meeting reconvened to regular session at 3:07 p.m.

Erin Collins moving onto end to end review and priority setting. Recommendation comes off of that.  
Item #3 to be corrected to \$50,000.00

Sam Scarmardo left early at 3:15 p.m.

Kari Thompson questioned vision.

Jaime Schulenberg responded updated on the budget will be at the February 21 meeting.

Had Christensen made a motion to set this as-is.

Marcia Cox seconds the motion.

All unanimously approved by Trustees in attendance.

Hal Christensen made a motion to approve minutes.

Marcia Cox seconds motion.

Discussion: Hal Christensen mentioned items in minutes that are to be followed up on would like addressed in future agendas.

Minutes unanimously approved by Trustees in attendance.

**Election of Officers: Erin Collins**

The restated and amended Trust agreement changed some positions. Will need to review tape and have Board do an amended motion to incorporate. At this time, Trustees would elect chairman, vice chairman, and chair appointed secretary.

Kari Thompson responded this will need to align with the Board.

Diana Asseier commented the two EBT positions opening will brought before the Board at the next meeting to advertise and be filled by June and start in July.

Kari Thompson stated appointing officers the first meeting of the fiscal year would be the start of terms.

Jaime Schulenberg stated the recording secretary has retired and will need to name a new secretary.

Kari Thompson responded to appoint Naomi Morgan as Recording Secretary.

Hal Christensen made a motion to nominate Marcia Cox as Vice Chairman.

Dr. Fadi Atassi seconds the motion.

Motion unanimously approved by Trustees in attendance.

**Administrative Update: Jaime Schulenberg**

Facilitated an onsite meeting with district staff and Guardian. Will resolve contract amendments and bring back for review and approval.

- Several retirees enrolled in Silver Plan was not communicated to Gilsbar. Eight were mis-enrolled in the Gold Plan. Benefits have been paid. There are 20 claims to be re-processed. Asking for fiscal impact and hot that will impact the members. Will bring this back for further discussion.

- During open enrollment, a special packet is sent out to retirees and they have the choice to choose Silver or Gold Plan.

Hal Christiansen asked why we have the Silver Plan.

Jaime Schulenberg responded its less rich plan and makes it less expensive for retirees.

Kari Thompson stated the district doesn't contribute as much into the retirement plan. The retirees are paying a larger portion. Gives retirees the option to pay less or more expensive plan.

Hal Christiansen asked if it costs more to administrator or more work.

Cheri Tropple responded there is a difference in the premium. Would prefer if there was only one.

Hal Christensen suggested the elimination of the Silver Plan.

Jaime Schulenberg stated ECA is working with Trust attorney on requesting records from the previous broker.

- Award a contract with janitorial services at the clinic.
- Working on clinic cost comparison and lab comparison.
- Following this meeting, a
- A survey will be sent out in reference to this meeting.

Marcia Cox questioned if a time line was established for the cost comparison.

Erin Collins responded there is not.

Kari Thompson asked for a review on fixed costs at the center.

Jaime Schulenberg stated part of the budget ECA prepared can break that down further.

Pat Rooney asked if this information on rates will get out to the staff.

Erin Collins replied once everything is more in place after February 21 meeting, will be available to answer questions.

Kari Thompson set February 21, 2018 for the next meeting at 3:00 p.m.

Hal Christensen made a motion to adjourn meeting.

Fadi Atassi second the motion.

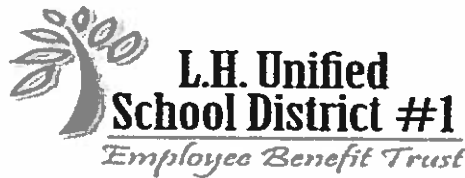
Motion unanimously approved by Trustees in attendance.

Meeting adjourned at 3:45 p.m.

Respectfully submitted,

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Kari Thompson, Chairman, LHUSD #1 Employee Benefit Trust



**LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST  
BOARD OF TRUSTEES – NOTICE OF TRUST MEETING**

**Wednesday, February 21, 2018 3:00 p.m.  
2200 Havasupai Blvd. – Governing Board Conference Room  
Lake Havasu, AZ 86403**

**MEMBERS OF THE LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST  
BOARD OF TRUSTEES WILL ATTEND EITHER IN PERSON OR BY TELEPHONE CONFERENCE  
CALL.**

The Board of Trustees (the "Board") of the Lake Havasu Unified School District Employee Benefit Trust (LHSEBT) may, by motion, recess into Executive Session for discussion and consultation with attorney(s) for the Board to receive legal advice on any item contained in this Agenda pursuant to ARS 38-431.03 (A)(3) or for discussion or consideration of records exempt by law from public inspection in accordance with ARS 38-431.03 (A)(2) on any item contained in this agenda.

**AGENDA**

- |   |                               |
|---|-------------------------------|
| 1. Call to Order  | Kari Thompson, Chairperson    |
| 2. Roll Call  | Naomi Morgan, Trust Secretary |
| 3. Pledge to the Flag   | Kari Thompson, Chairperson    |
| 4. Call to the Public   | Kari Thompson, Chairperson    |
| 5. Discussion and Possible Action re Vision RFP                 | Jaime Schulenberg, ECA        |
| 6. Discussion and Possible Action re 2018-19 Benefits and Rates | Jaime Schulenberg, ECA        |
| 7. Administrative Update  | Jaime Schulenberg, ECA        |
| 8. Future Agenda Items  | Kari Thompson, Chairperson    |
| 9. Set Next Meeting Date – April 25, 2018                       | Kari Thompson, Chairperson    |
| 10. Adjourn   | Kari Thompson, Chairperson    |

**Note: Unless Otherwise Indicated, All Agenda Items Are Potential Action Items**

Pursuant to the Americans with Disabilities Act (ADA), LHSEBT endeavors to ensure the accessibility of all its programs, facilities and services to all persons with disabilities. If you need an accommodation for this meeting, please contact Michael Murray at (928) 505-6937. Requests should be made as early as possible to arrange the accommodation.

**PLEASE POST NO LATER THAN 3:00 P.M., TUESDAY, FEBRUARY 20, 2018**

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1  
EMPLOYEE BENEFIT TRUST  
BOARD OF TRUSTEES MEETING– FEBRUARY 21, 2018**

**TRUST MEMBERS PARTICIPATING**

Kari Thompson, Marcia Cox, Hal Christiansen, Sam Scarmardo and Pat Rooney (non-voting member)

**OTHERS PARTICIPATING**

Mike Murray, Bonnie Breazeal, Cheri Tropple, Kelly Morrison & Naomi Morgan – LHUSD #1  
Jaime Schulenberg & Elena Lacy - Erin P. Collins Associates

**OTHERS ATTENDING (PER SIGN IN SHEET):**

Andrea Helart, Nichole Cohen, and John Masden

Meeting called to order at 3:03 p.m. Roll call was taken. Pledge to the flag followed with moment of silence.

Kari Thompson asked for "Calls to the Public." There were none.

**Vision RFP: Jaime Schulenberg**

There have been complaints after the move from Vision Care Direct to United Health Care Vision Program back in July in respect of how many providers were available in town. As a result, ECA looked at other options, including going back to Visions Care Direct and two other options, Eye Med through Ameritas and VSP.

Vision Care Direct Plan: fully insured option with a 12, 12, 12 benefit schedules (exam, frames and lenses once a year).

- \$10.00 co-pay for exams and materials
- \$130.00 frame and contact allowance.
- Four providers in Lake Havasu City and one in Parker.

Eye Med: fully insured, same benefit structure. Co-pay on exams and materials would be

- \$10.00 co-pay for exams and materials.
- \$100.00 frame.
- \$105.00 contact allowance.
- Six providers in Lake Havasu City, two in Bullhead, one in Needles and one in Parker.

VSP: fully insured, same benefit structure and co-pay.

- Frame and contact allowance is at \$130.00.
- Three providers in Lake Havasu City, one in Parker and one in Needles.

Copies of networks are listed in the packets provided.

Jaime Schulenberg went over the premium rates on the second page in the memo of the packet provided. She mentioned that ECA recommends not to make a change at this time and it's up to the Trustees in terms of gaining additional providers in our network & paying more money vs. not making a change at this time.

Kari Thompson asked, with the current carrier, United, will those rates hold for next year or will they need to relook at them in July.



Jaime Schulenberg responded these are the rates for July 1 and have a four or five-year rate guarantee. These rates are set for 18-19 plan year.

Kari Thompson mentioned in the beginning, it was running at a loss.

Jaime Schulenberg did confirm it is still running at a slight loss due to funding factors projected by the actuary or a self-funded program were considerably higher. That was based on the experience of United Health Care.

Mike Murray referencing the presentation by United Health Care, it was beginning to level off.

Kari Thompson reiterated that we do have a rate guarantee for a couple years.

Marcia Cox wanted to clarify the three that were quoted, if they are self-insured and not fully insured plans.

Jaime Schulenberg confirmed that they did ask for fully insured and rates. The only one that responded was VSP and those rates were considerably higher.

Kari Thompson asked in regards to the list of providers and as far as where they get their glasses and contacts, is United still the only one that carries Wal-Mart.

Jaime Schulenberg responded to her understanding that yes, United Health still carries Wal-Mart.

Marcia Cox questioned if Dr. Sobchuk is the only one that we lost on providers.

Mike Murray responded that she was on the old plan with Vision Direct.

Kari Thompson noticed not getting as many billing questions.

Jaime Schulenberg agreed they haven't heard anything since ECA has been onboard.

Kari Thompson recommends to stay with United Health through the rate guarantee.

Marcia Cox asked if Dr. Sobchuk was approached by United Health for the contract.

Jaime Schulenberg responded Mr. Tauten reported in the last meeting, Dr. Sobchuk was approached and declined.

Kari Thompson stated there were three proposals and all three were turned down. Possibly approach them again and other providers as well to see if we can add one or two more providers.

Jaime Schulenberg commented during the months June, July and August while students are out of school, there tends to be a spike in medical, dental and vision.

Kari Thompson stated at this time there will be no changes and will be staying with current provider.

#### **2018-19 Benefits and Rates: Jaime Schulenberg**

Met two weeks ago for the official renewal meeting. Looking at some additional options for consideration. Started off at a 30% increase over the current premium rates. District has limited amount of the budget allocated to increases for the 18-19 plan year. Will go over additional items that are in the provided packets, such as the actuary price along with the percentage and dollar amount. Important to know this medical plan is set up to direct care to the clinic with high copay, deductible and out of pocket costs than other plans that do not have a clinic. The clinic is not an urgent care or hospital therefore cannot provide care for all the needs of members. Need to get to a place which is physically sound and can continue to provide services and benefits that members need and deserve.

Changes Mike Schionning took a look at that was agreed on from February 7, 2018 meeting:

- Add copay to services at the clinic.
- Out patient behavioral mental health to comply with mental health parity.
- Non-routine colonoscopy from 100% with no deductible to 80% after deductible.
- Add specialty copay of 20% with max \$300.00 on Gold Plan and \$600.00 on Silver Plan.
- Increase deductible from \$2,000.00 individual, \$4,000.00 family to \$2,500.00 / \$5,000.00 or \$3,000.00 / \$6,000.00
- Increase maximum out of pocket.
- Increase urgent care copay from \$55.00 to \$75.00.
- Increase ER copay \$200.00 plus deductible.
- Co-insurance \$250.00 plus deductible to co-insurance and \$300.00 plus deductible.
- Add \$55.00 copay to in-office minor surgery with no limitations.
- Change at-home sleep studies to in-office setting.
- Generic prescription copayments from \$5.00 to \$10.00 and generic mail order to \$25.00.

Chris Schantz with National Cooperative Rx looking at reducing mail order copays from \$15.00 to \$12.50. Preferred \$105.00 to \$87.50 and non-preferred from \$195.00 to \$162.50. Looking at eliminating coverage for any medication available over the counter.

Kari Thompson asked if over the counter medication is the same as generic.

Jaime Schulenberg responded that they are not exactly the same.

Marcia Cox commented the medications have the same ingredients, just different dosage.

Kari Thompson asked if generic is cheaper than over the counter.

Jaime Schulenberg commented it depends on the medication and would have to look into it.

Kari Thompson questioned the in-office surgery if the cost is over \$500.00, is the first \$500.00 covered and then goes into a percentage split and new rate be 80/20.

Jaime Schulenberg confirmed correct.

Kari Thompson would like it to show what the rate effect on Gold and Silver Plans if move deductible to \$2,500.00, out of pocket to \$6,500.00 and generic copay to \$10.00.

Jaime Schulenberg stated it show just under 25%.

Marcia Cox asked if there was a copay for lab and Rx.

Jaime Schulenberg did not discuss a separate copay. Lab and x-ray is 80% after deductible unless it's a Wellness lab.

Kari Thompson asked if Cerner can be approached with sending labs in.

Marcia Cox stated the contract would have to be amended.

Kari Thompson recommended the contract to be amended before July 1.

Marcia Cox asked what premiums would be if we didn't have the clinic at all.

Jaime Schulenberg stated they are working on a strategic plan with Mike Schionning if there is no clinic and going with a standard plan. Hope to have it done by this fall.

Marcia Cox would like to see what it would be if we took out the clinic today as the plan stands now.

Jaime Schulenberg stated those utilizing the clinic would have to shift over to the community. On the employee only rate was \$185.00 per employee per month. Having labs, Rx, Cerner management fees, and clinic operative costs separated out; roughly \$150 per employee per month.

Kari Thompson stated assuming zero costs get shifted.

Marcia Cox would like Mike Schionning to come back with numbers, as informative. Concern the actual number of those utilizing the clinic.

Jaime Schulenberg will get those numbers of percent shift.

Mike Murray asked what the minimum for a high deductible health plan is.

Jaime Schulenberg responded the minimum is \$1,350.00 individual with higher deductible. Cannot have any copays except for preventative care. Many ways to structure a plan.

Marcia Cox would like to see what that would cost and for out of pocket for employees.

Jaime Schulenberg will come up with different plan designs with actuary price and bring back for consideration.

Mike Murray had concerns making major changes and putting them in place by July 1. Would like to continue to get information for possible future consideration.

John Masden stated looking at long term have 10% on initial budget. With adjustments to the plan, can get another 1-2%. Need to come up with a comfort number with the district for the next year and then concentrate on long term.

Mike Murray stated a two year strategic plan for the 25% increase.

Jaime Schulenberg stated there will be a gap regardless and the board will need to adopt an actuary rate.

Mike Murray commented the plan for this coming year will be the 10% and 15% the year after should get us past Cerner contract in 2020.

John Masden has concerns keeping the cost of the Center. Making changes will need to be communicated with staff.

Jaime Schulenberg summarized the current numbers for benefit changes as of current.

#### **Gold Plan**

- \$20.00 copay services at clinic,
- Change out patient behavioral mental health from 80% after deductible to \$55.00 copay.
- Non-routine colonoscopy 100% with no deductible to 80% after deductible.
- Add specialty copayment of 20% max \$300.00.
- Increase the deductible to \$2,500.00 individual / \$5,000.00 family
- Increase the max out of pocket from \$6,000.00 individual / \$12,000.00 family to \$6,500.00 individual / \$13,000.00 family.
- Increase generic retail copayment to \$5.00 and generic mail to \$25.00.

#### **Silver Plan**

- \$40.00 copay services at clinic.
- Mental health same as Gold plan.
- Non-routine colonoscopy same as Gold plan.
- Specialty copay 20% max \$600.00.
- Increase deductible \$3,000.00 individual / \$7,000.00 family to \$3,500.00 individual / \$7,000.00.

- Increase max out of pocket from \$6,850.00 individual / \$13,007.00 family to \$7,150.00 individual / \$14,300.00 family.
- Increase generic retail from \$25.00 to \$30.00.

Both plans would add limitation on minor surgery performed in physician office limited to \$1,000.00.  
Projected increase of 24.69% on employee only coverage.

Hal Christiansen made a motion to amend our coverage according to the selections listed.

Marcia Cox seconds the motion.

Motion unanimously approved by Trustees in attendance.

#### **Administrative Update**

Jaime Schulenberg has no updates at this time.

Marcia Cox asked of update information from Cerner on NDA to compare numbers.

Jaime Schulenberg projected to have data by end of February.

Mike Murray informed Trustees of the Board approval and application process for the two Trustee seats that will expire in June. Application due date is set for April 2. Board will review applications then put on as an agenda item for May Governing Board meeting to appoint those they select.

#### **Future Agenda Items**

None at this time.

Kari Thompson set April 25, 2018 for the next meeting at 3:00 p.m.

Hal Christensen made a motion to adjourn the meeting.

Marcia Cox seconds the motion.

Motion unanimously approved by Trustees in attendance.

Meeting adjourned at 4:37 p.m.

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Respectfully submitted,

Kari Thompson, Chairperson, LHUSD #1 Employee Benefit Trust



**LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST**  
**BOARD OF TRUSTEES – NOTICE OF TRUST MEETING**

**Thursday, March 8, 2018 3:00 p.m.**  
**2200 Havasupai Blvd. – Governing Board Conference Room**  
**Lake Havasu, AZ 86403**

**MEMBERS OF THE LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST  
BOARD OF TRUSTEES WILL ATTEND EITHER IN PERSON OR BY TELEPHONE CONFERENCE  
CALL.**

The Board of Trustees (the "Board") of the Lake Havasu Unified School District Employee Benefit Trust (LHSEBT) may, by motion, recess into Executive Session for discussion and consultation with attorney(s) for the Board to receive legal advice on any item contained in this Agenda pursuant to ARS 38-431.03 (A)(3) or for discussion or consideration of records exempt by law from public inspection in accordance with ARS 38-431.03 (A)(2) on any item contained in this agenda.

**AGENDA**

- |   |                               |
|---|-------------------------------|
| 1. Call to Order  | Kari Thompson, Chairperson    |
| 2. Roll Call  | Naomi Morgan, Trust Secretary |
| 3. Pledge to the Flag   | Kari Thompson, Chairperson    |
| 4. Call to the Public   | Kari Thompson, Chairperson    |
| 5. Discussion and Possible Action re 2018-19 Benefits and Rates   | Erin Collins, ECA             |
| 6. Discussion and Possible Action re Silver Plan Enrollment Error | Erin Collins, ECA             |
| 7. Ratification of Life Insurance Amendments                      | Erin Collins, ECA             |
| 8. Administrative Update  | Erin Collins, ECA             |
| 9. Future Agenda Items  | Kari Thompson, Chairperson    |
| 10. Adjourn   | Kari Thompson, Chairperson    |

**Note: Unless Otherwise Indicated, All Agenda Items Are Potential Action Items**

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**PLEASE POST NO LATER THAN 3:00 P.M., WEDNESDAY, MARCH 7, 2018**

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1  
EMPLOYEE BENEFIT TRUST  
BOARD OF TRUSTEES MEETING– MARCH 8, 2018**

**TRUST MEMBERS PARTICIPATING**

Kari Thompson (late arrival), Marcia Cox, Hal Christiansen, and Sam Scarmardo

**OTHERS PARTICIPATING**

Mike Murray, Bonnie Breazeal, Cheri Tropple, Kelly Morrison & Naomi Morgan – LHUSD #1  
Erin Collins & Elena Lacy - Erin P. Collins Associates

**OTHERS ATTENDING (PER SIGN IN SHEET):**

Claude Sanders and Kathy Cox

Meeting called to order at 3:03 p.m. Roll call was taken. Pledge to the flag followed with moment of silence.

Marcia Cox asked for "Calls to the Public." There were none.

**2018-19 Benefits and Rates:**

Erin Collins stated after the last meeting, there was request for Trustees to place additional changes.

1. Require Health & Wellness to use the Trust's BlueCross contract with LabCorp.  
-Will draw at the clinic and run through LabCorp.
2. Add \$10.00 co-pay for all medication at the clinic.

Mike Murray inquired about form of payment.

Elena Lacy responded the clinic is able to take debit/credit.

Marcia Cox clarified that OTC medication is all generic

3. Eliminate OTC medication at the Health & Wellness clinic.
4. High cost specialty medication initial dispense limited every two weeks.
5. Consider 3D mammography through MOM.  
-Slight cost increase.

Erin Collins asked Elena Lacy if Jaime Schulenberg had any recommendations for 3D mammography.

Elena Lacy responded Jaime was against implementing 3D mammography due to the high increase the Trust is experiencing.

Hal Christensen questioned if 2D was initially used in an exam, would the patient then need to use 3D.

Erin Collins responded if further testing is needed, 3D or needle biopsy would be done. The procedure would change from screening to diagnosis treatment.

Sam Scarmardo asked what the cost factor is between 2D and 3D.

Erin Collins responded approximately \$30.00 per test.

Marcia Cox commented the largest savings is change in labs.

Mike Murray questioned if LabCorp representative would be at the clinic a couple times a week for lab draws.

Erin Collins answered that Cerner would conduct the draw and send it to LabCorp.

Hal Christiansen made a motion to approve changes on items 1 through 4 as presented and not approve item 5 change of 2D to 3D mammography.

Sam Scarmardo seconds the motion.

Motion unanimously approved by Trustees in attendance.

Hal Christensen asked Mike Murray how the information will be presented to the staff.

Mike Murray responded he is working with ECA to hold an all staff meeting in the PAC this spring.

Hal Christensen asked for ECA to present to staff where they will be able to understand it.

Erin Collins stated there will need to be a second move as the first made changes and the second will be to adopt the overall rate. Reviewed approved changes on Gold and Silver Plans from past and present meetings.

Marcia Cox confirmed the changes to be effective July 1.

Mike Murray suggested starting the savings now with LabCorp.

Erin Collins will discuss with Jaime Schulenberg.

Erin Collins covering spreadsheet in handout.

- 2017-18 Current rates until July.
- Shows what rates should be in July if actuarially appropriate.
- What District adopted with 10% increase.
- Cost share between district and employees, same with retirees.
- Funding gap results in cash portion of the Trust is \$541,000.00.

Mike Murray asked if part of the compensation package of a one-time \$150,000.00 contribution to EBT could help.

Erin Collins responded it would help cut down the \$541,000.00

Mike Murray stated currently evaluating benefits and programs to determine if they are cost effective.

Kari Thompson arrived at 3:43 p.m.

Hal Christiansen made a motion to adopt the 2018-2019 premiums as shown.

Sam Scarmardo seconds the motion.

Motion approved by Trustees Sam Scarmardo, Hal Christiansen and Marcia Cox. Kari Thompson suppressed her vote as she was not in part of the discussion.

**Silver Plan Enrollment:**

Erin Collins stated there was an administrative error when retirees signed up for the Silver Plan and ended up on the Gold Plan. Five out of the 17 claims processed would like back on the Silver Plan. Gilsbar will seek reimbursement from providers. Members impacted will pay an additional \$1,699.97.

Hal Christensen made a motion to approve recommendation.

Kari Thompson seconds the motion.

Motion unanimously approved by Trustees in attendance.

**Life Insurance:**

Erin Collins recommends correction to the policy be put back where it was.

1. Untie Voluntary Life and Voluntary AD & D.
2. Family Voluntary AD & D.
3. Spouse VTL Rates.
4. Basic Life/AD & D.
5. Guardian confirmed districts rehire provision is first of the month following six months.
6. Align back to July 1 to June 30.
7. Recommend getting rid of dual enrollment coverage. (Only one spouse to cover dependent kids)

Sam Scarmardo asked it would be a double payment.

Erin Collins stated the district was being charged twice.

Elena Lacy clarified this is a ratification. Changes were already approved.

Hal Christensen made a motion to approve changes as previously authorized by chair.

Marcia Cox seconds the motion.

Motion unanimously approved by Trustees in attendance.

**Administrative Update:**

Erin Collins commented on items to follow up from previous meeting.

- Health & Wellness Clinic – Full Plate Diet Session.
- Renewal Meeting Survey (will resend).
- Bank Balance Graph (attached to packet).
- Health & Wellness Clinic Visit Trend from 1/1/13 to 12/31/17.



- Mike Bonney's restated and revised 12/2017 financial report.
- American Health Group Case Management ROI Calculation.
- Directory for United Health Care.

Marcia Cox questioned the reconciled balance of \$144,000.00 if we can find out what it was for.

Mike Murray responded depends on how much time and effort for Mike Bonney to research. It will be difficult to locate due to lack of proper reconciliation in the past.

Kathie Cox asked if Cerner provided the data comparison cost report between the Clinic vs. availability with BlueCross Network.

Erin Collins confirmed Cerner met the deadline of February 28. Mike Schionning the actuary is still processing the report.

**Future Agenda Items:**

Marcia Cox concerned past due invoices of lab charges from Cerner to be disputed or audited.

Erin Collins will clarify with Marcia Cox.

Kari Thompson asked if there are future meeting dates and times.

Elena Lacy responded April 25 is already scheduled.

Diana Asseier stated there will be an Open Meeting Law training on April 23.

Hal Christiansen made a motion to adjourn meeting.

Sam Scarmardo seconds the motion.

Motion unanimously approved by Trustees in attendance.

Meeting adjourned at 4:05 p.m.

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Respectfully submitted,

Kari Thompson, Chairperson, LHUSD #1 Employee Benefit Trust



**LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST**  
**BOARD OF TRUSTEES – NOTICE OF TRUST MEETING**

**Wednesday, April 25, 2018 3:00 p.m.**  
**2200 Havasupai Blvd. – Governing Board Conference Room**  
**Lake Havasu, AZ 86403**

**MEMBERS OF THE LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST BOARD OF TRUSTEES WILL ATTEND EITHER IN PERSON OR BY TELEPHONE CONFERENCE CALL.**

The Board of Trustees (the "Board") of the Lake Havasu Unified School District Employee Benefit Trust (LHSEBT) may, by motion, recess into Executive Session for discussion and consultation with attorney(s) for the Board to receive legal advice on any item contained in this Agenda pursuant to ARS §38-431.03 (A)(3) or for discussion or consideration of records exempt by law from public inspection in accordance with ARS §38-431.03 (A)(2) on any item contained in this agenda.

**AGENDA**

- |  |                               |
|--|-------------------------------|
| 1. Call to Order   | Kari Thompson, Chairperson    |
| 2. Roll Call   | Naomi Morgan, Trust Secretary |
| 3. Pledge to the Flag  | Kari Thompson, Chairperson    |
| 4. Call to the Public  | Kari Thompson, Chairperson    |
| 5. Executive Session for General Legal Advice and Consultation on Contracts Pursuant to ARS §38-431.03(A)(3) and (4) | Michael Hensley, JS&H         |
| 6. Discussion and Possible Action re Development of Section 125 Plan Document  | Jaime Schulenberg, ECA        |
| 7. Discussion and Possible Action re Meeting Start Time  | Marcia Cox, Vice Chairperson  |
| 8. Review of Cerner v. BCBSAZ LabCorp Charges  | Joyce Perez, Gilsbar          |
| 9. Administrative Update   | Jaime Schulenberg, ECA        |
| 10. Future Agenda Items  | Kari Thompson, Chairperson    |
| 11. Adjourn  | Kari Thompson, Chairperson    |

**Note: Unless Otherwise Indicated, All Agenda Items Are Potential Action Items**

Pursuant to the Americans with Disabilities Act (ADA), LHSEBT endeavors to ensure the accessibility of all its programs, facilities and services to all persons with disabilities. If you need an accommodation for this meeting, please contact Michael Murray at (928) 505-6937. Requests should be made as early as possible to arrange the accommodation.

**PLEASE POST NO LATER THAN 3:00 P.M., TUESDAY, APRIL 24, 2018**

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1  
EMPLOYEE BENEFIT TRUST  
BOARD OF TRUSTEES MEETING – APRIL 25, 2018**

**TRUST MEMBERS PARTICIPATING**

Marcia Cox, Hal Christiansen, Dr. Fadi Atassi & Sam Scarmardo

**OTHERS PARTICIPATING**

Mike Murray, Kelly Morrison, Cheri Tropple, & Naomi Morgan – LHUSD#1  
Erin Collins, Jaime Schulenberg & Elena Lacy - Erin P. Collins Associates  
Joyce Perez – Gilsbar  
Michael Hensley – JS & H

**OTHERS ATTENDING (PER SIGN IN SHEET)**

Jeff Goss, Nissa Harris, Nina Mersing, Nichole Cohen,

Meeting called to order at 3:01 a.m. Roll call was taken. Pledge to the flag followed with moment of silence.

Marcia Cox Vice Chairman asked for "Call to the Public." There were none.

Sam Scarmardo made a motion to move into executive session for General Legal Advice and Consultation on Contracts Pursuant to ARS §38-431.03(A)(3) and (4).

Hal Christiansen seconds the motion.

Motion unanimously approved by Trustees in attendance.

Executive session adjourned to superintendent conference room.

Hal Christensen made a motion to reconvene from executive session.

Sam Scarmardo seconds the motion

All unanimous, meeting reconvened at 4:18 p.m.

It was stated that Dr. Fadi Atassi had left early at 4:00 p.m. during the executive session.

- **Section 125 Plan Document**

Jaime Schulenberg stated when attempting to review Section 125 Plan Document, it does not exist. Section 125 is separate from normal medical, dental and vision documents. The Trust

needs the Section 125 Plan Document. Gilsbar can create this document for \$300.00. ECA recommends the Trust authorize expenditures to have the document created.

Marcia Cox questioned if premiums are being prepaid tax and if we are in violation.

Jaime Schulenberg confirmed.

Erin Collins explained it may have been done however it cannot be found.

Jaime Schulenberg stated the document would be effective July 1, 2018. Once developed, it will need to be reviewed and approved. Then adopted at a public meeting.

Hal Christensen made a motion to have Gilsbar create Section 125 Plan Document in the amount of \$300.00 and ask to have the document prepared and implemented by July 2018.

Sam Scarmardo seconds the motion.

Motion unanimously approved by Trustees in attendance.

- **Meeting Start Time**

Marcia Cox expressed concern that due to EBT meetings starting at 3:00 p.m., makes it hard for staff to attend. At this time would like to suggest starting the meetings at a later time. This is the Employee Benefit Trust and the employees should have a chance to attend.

Sam Scarmardo requested to have meetings on a different day of the week or possibly on the fourth Wednesday of the month.

Mike Murray recommended the meeting times and dates to be consistent due to Open Meeting Laws.

Jaime Schulenberg mentioned vendors will need time to prepare reporting documentation for meetings.

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Erin Collins suggested the meetings to be quarterly unless otherwise specified.

Unanimous decision to move forward with quarterly meetings the third Thursday of the month at 5:00 p.m. The next EBT Board of Trustees Meeting will take place on Thursday, July 19, 2018 at 5:00 p.m.

- **Cerner v. BCBSAZ LabCorp Charges**

Joyce Perez presented the methodology on how they came to the numbers provided. In the Summary handout, will focus on the Allowed column. Received an invoice from LabCorp that

listed codes and charges. Looked at two years of data (2016-17). Identified 34 out of 40 CPT codes found in data from plan. Each CPT code had different charges for each code. Came up with an average on actual health plan. Cost fluctuates depending on service. To get a true comparison, the invoice would need to go to Blue Cross to get re-priced.

Erin Collins stated Blue Cross would not re-price due to confidential information.

Joyce Perez stated the allowed amount number is the best comparison to get the raw number after discounts.

Erin Collins stated there were changes made and starting July everything will go to Blue Cross Contract through LabCorp. Billing will be complete with identifiable codes.

- **Administrative Update**

Erin Collins discussed the Health & Wellness cost comparison break down into visits, scripts, additional services and management fee. Send spreadsheet back to Cerner with list of clarifications. Once ECA has letter, will send to Trustees.

Jaime Schulenberg reported Gilsbar response to a comment at a public meeting where the prior broker stated Gilsbar provided funding rates for the plan. Gilsbar CEO provided the statement and wanted it for the record.

Jaime Schulenberg clarified on the Life Insurance Commission that Guardian did not pay commission on the current life contract.

Jaime Schulenberg recounted the staff meeting at LHHS PAC on March 29. The meeting went well with great comments. Some staff were not happy with rates as others were understanding. Spoke with the Clinic in regards to some complaints on services.

Jaime Schulenberg reported the benefit changes effective July 1<sup>st</sup> in regards to the Clinic. Cerner is in the process of updating their systems and procedures. Gilsbar is having more of a struggle with the side of processing labs. They are working to have labs paid appropriately without additional cost to the member.

Marcia Cox questioned the copay on labs.

Jaime Schulenberg reassured there is only one copay when a member goes in for an office visit and labs are drawn.

Open enrollment is around May 6<sup>th</sup> and ECA is working on material for staff to get out to members.

- **Future Agenda**  
Non at this time

Sam Scarmardo motions to adjourn.

Hal Christensen seconds the motion.

Motion unanimously approved by Trustees in attendance.

Meeting adjourned at 4:55 p.m.

Respectfully submitted,

Kari Thompson, Chairman, LHUSD #1 Employee Benefit Trust

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1  
EMPLOYEE BENEFIT TRUST  
BOARD OF TRUSTEES MEETING – MAY 11, 2018**

**TRUST MEMBERS PARTICIPATING**

Kari Thompson, Marcia Cox, Hal Christiansen (late arrival) & Sam Scarmardo

**OTHERS PARTICIPATING**

Mike Murray, Diana Asseier, Cheri Tropple, & Naomi Morgan – LHUSD #1  
Jaime Schulenberg & Elena Lacy - Erin P. Collins Associates

**OTHERS ATTENDING (PER SIGN IN SHEET)**

Jeff Goss, Stephanie Holmes, Christine Locatis, Nichole Cohen, & Kathy Cox

Meeting called to order at 3:04 p.m. Roll call was taken. Pledge to the flag followed with moment of silence.

Call to the public:

- Jeff Goss concerned with the rate increase for retirees. Would like clarification of rule for the affordable care. Questioned how much money went to the Trust from the bond. Asked if rates have been approved by the Board. Would like the retirees to be on an email list to be notified of EBT meetings.
- Stephanie Holmes requesting to speak in an executive session due to PHI (Personal Health Information).

**Fiduciary Liability Insurance:**

Jaime Schulenberg stated they are working with the ~~districts~~-District's broker, Mike Carr at NFP, to obtain quote-offiduciary liability insurance with coverage up to one million dollars coverage with a \$10,000 retention. Could have in place by May ~~1401~~, 2018 if the carrier will agree to a retroactive term. Cost of coverage if retroactive of May 1, 2018 would be approx. \$3,309. Will renew every July 1<sup>st</sup>.

Kari Thompson questioned if the policy will be held under the district or EBT.

Jaime Schulenberg stated this policy is specific for the LHUSD EBT.

Marcia Cox made a motion to approve Fiduciary Coverage effective May 1, 2018; -if not approved by the carrier, today May 11 or May 14 if available.

Sam Scarmardo seconds the motion.

Sam Scarmardo: YES, Marcia Cox: YES, Kari Thompson: YES

Motion unanimously approved by Trustees in attendance.

Marcia Cox made a motion to move into executive session for one call to the public and general legal advice and consultation on contracts pursuant to A.R.S §38-431.03(A)(3) and (4).

Sam Scarmardo seconds the motion.

Sam Scarmardo: YES, Marcia Cox: YES, Kari Thompson: YES

Motion unanimously approved by Trustees in attendance.

Sam Scarmardo made a motion to reconvene from executive session.

Marcia Cox seconds the motion.

Sam Scarmardo: YES, Hal Christiansen: YES, Marcia Cox: YES, Kari Thompson: YES

Motion unanimously approved by Trustees in attendance.

Meeting reconvened at 4:36 p.m.

It was stated that Hal Christiansen arrived at 3:28 p.m. during the executive session.

#### **2018-19 Retiree Premium Rates:**

Jaime Schulenberg stated there is a dependent cost issue with the Gold Plan. ~~Enrollment Premiums were calculated~~ ~~was~~ based on active employee pays ~~which include including a District subsidy~~ ~~ary which~~ the district has not been contributing ~~for retirees. This results Resulting in an~~ underpayment to the ~~trust~~ Trust in current year. ~~ECA was unable to reconcile the Silver Plan premiums with information they were provided. for retirees with rate that was approved by the Board, cost do not match what ECA can find resulting in a significant underpayment.~~ The ~~trust~~ Trust is underfunded by approx. \$8,000.00 based on current enrollment.

Kari Thompson asked if the ~~district~~ District should contribute the \$8,000.

Mike Murray indicated he would like the ~~district~~ District contribution for retirees to ~~the~~ EBT be lump sum and identify the exact number ~~of~~ retirees and dependents ~~care coverage~~ to match ~~the~~ dollar contribution ~~with actual retiree dependent care premium contribution~~. Moving forward will attach deposit with data and back up material and have that information available. Will need to look into setting up a separate retiree account.

Kari Thompson questioned the current procedure when a retiree makes a payment and who the checks are made out to.

Cheri Tropple replied the checks are made out to LHUSD EBT.

Jeff Goss questioned retiree coverage of 49% increase.



Mike Murray responded the total increase for retiree and spouse is \$120.74/mo. 10% across the board and 5% ~~district-District~~ contribution back to the employee.

Jaime Schulenberg confirmed that the 2018-19 rates will be calculated the same as 2017-18 and the ~~district-District will contribute toward the dependent premiums for retirees (the same as active employees) contribution~~ for the coming year, which will result in. ~~There will be~~ no negative impact on the ~~trust-Trust~~ revenue.

Mike Murray confirmed.

Kari Thompson verified the annual contribution from the district to the retirees is the same as active employees.

Mike Murray explained the contribution will be clear-made whole between ~~by~~ the retiree and ~~district-District~~ making the whole premium. Going forward, a separate deposit will be made for these contributions.

Kari Thompson asked ~~it-if~~ the retirees are being charged the same rate as active employees.

Jaime Schulenberg responded the Gold Plan is the same. Silver Plan has a separate set of rates based on the district because they provide a different level of benefits.

Mike Murray stated the district is contributing approximately \$600,000.00 for dependent premiums.

### **Health & Wellness Center Benefit Changes:**

#### **Item 1 – 90 Day Prescriptions**

Jaime Schulenberg reported Cerner is asking for clarification on changes in the 90 day prescriptions that the board voted to implement as they relate to the \$10.00 copay implemented for prescriptions.

Cerner is asking if they are to continue dispensing 90 day supplies of medications for chronic conditions. The options are: What are the options?

- Continue current practice and apply \$10.00 copay;
- Eliminate dispensing 90 day supplies of medications; or
- Dispense 90-day supplies of medications for chronic conditions only with \$10.00 copay.

Kari Thompson asked if a member would pay three copays for a 90-day supply of medication by going to a pharmacy.

Jaime Schulenberg confirmed and stated members would pay actual cost of medications if under the copay cost. Do not believe the Clinic would have that service.

Kari Thompson asked what ECA's recommendation would be.

Jaime Schulenberg responded ECA's recommendation would be to continue dispensing the 90 day with the \$10.00 copay.

Marcia Cox made clear the Clinic will have a \$10.00 copay for 90 day supplies other than ~~an~~ ACA approved preventative medications compared to a pharmacy with three copays and member would pay

lesser amount if generic drug is under the copay. Marcia also questioned if mail in orders would have the \$10.00 copay or three.

-Jaime Schulenberg confirmed mail ~~in~~ orders would have the three copays.

Marcia Cox made a motion to approve 90-day supply generic prescriptions from Wellness Center with \$10.00 copay.

Sam Scarmardo seconds the motion.

Sam Scarmardo: YES, Hal Christiansen: YES, Marcia Cox: YES, Kari Thompson: YES

Motion unanimously approved by Trustees in attendance.

## **Item 2 – Over-the-Counter (OTC) Medications**

Jaime Schulenberg reported the board made a decision to stop the dispensing of over-the-counter medications and supplies at the clinic. The clinic reported that they are ~~is~~ following the Wisconsin ~~RX~~ Rx formulary and need clarification as to whether to continue practice or eliminate OTC ~~discontinue formulary~~ that is in place.

Jaime Schulenberg stated it is ECA's recommendation to discontinue dispensing altogether at the clinic and look into Wisconsin Rx.

Kari Thompson asked which medications will be eliminated at Cerner.

Jaime Schulenberg responded she would have to get a full list of those medications.

Marcia Cox suggests there are no changes in the ~~board's~~ Board's decision of the discontinued dispensing of over-the-counter medications and supplies at the clinic.

Kari Thompson would like ECA to reach out to Wisconsin ~~RX~~ Rx.

### **District Email Addresses for Trustees:**

Marcia Cox referred to the Open Meeting Law Training and the recommendation of using a unique or district email to receive ~~board~~ Board specific items.

Kari Thompson made a motion to approve the set up for district email addresses for each EBT Trustee.

Marcia Cox seconds the motion.

Sam Scarmardo: YES, Hal Christiansen: NO, Marcia Cox: YES, Kari Thompson: YES

Motion ~~unanimously~~ approved by majority vote of Trustees in attendance.

### **Proposal for LHSEBT Legal Counsel:**

Marcia Cox stated when ECA was hired, an RFP for Legal counsel was recommended. Marcia Cox would like to appoint Mike Hensley as interim attorney during the RFP process.

Sam Scarmardo expressed two separate motions should be made for RFP and an [interim](#) attorney [interim](#).

Marcia Cox suggested the vote for RFP and add agenda item to future meeting for interim counsel.

Hal Christiansen made a motion for ~~the-an~~ RFP [for](#) legal counsel.

Sam Scarmardo seconds the motion.

Jaime Schulenberg stated ECA will draft the ~~paperwork for the~~ RFP [legal counsel](#) and share with the ~~board~~ [Board](#) for agreement before soliciting for quotes ~~and-to~~ bring back for review.

Kari Thompson asked for this to align with July 1.

Jaime Schulenberg confirmed contracts are to align with fiscal year.

Sam Scarmardo: YES, Hal Christiansen: YES, Marcia Cox: YES, Kari Thompson: YES

Motion unanimously approved by Trustees in attendance.

#### **Future Agenda Items:**

Jaime Schulenberg stated future agenda items:

- Interim legal counsel
- Wisconsin ~~RXR~~[Rx](#)
- Follow up on past meetings

Kari Thompson would like to request that ECA research and re-address Jeff Goss' ~~call~~ call to the public questions.

Hal Christiansen stated there may be a meeting prior to July 19 quarterly meeting.

Jaime Schulenberg made it known that Mike Murray and Naomi Morgan will not be in attendance on the July 19 EBT meeting and ECA will take minutes for that meeting.

Sam Scarmardo made a motion to adjourn meeting.

Hal Christiansen seconds the motion.

Motion unanimously approved by Trustees in attendance.

Meeting adjourned at 5:22 p.m.

Respectfully submitted,

~~Kari Thompson, Chairperson, LHUSD #1 Employee Benefit Trust~~ [Naomi Morgan, Secretary, LHUSD #1 Employee Benefit Trust](#)

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1 EMPLOYEE BENEFIT TRUST  
BOARD OF TRUSTEES MEETING – JUNE 29, 2018**

**The following Trustees were present and a quorum was met:**

Kari Thompson, Chairperson  
Marcia Cox, Vice Chairperson  
Dr. Fadi Atassi  
Hal Christiansen  
Sam Scarmardo

**The following guests were present:**

Michael Hensley – Jones, Skelton & Hochuli  
Erin Collins & Jaime Schulenberg - Erin P. Collins Associates

1. Call to Order

The meeting was called to order at 4:01 p.m.

2. Roll Call

Jaime Schulenberg from ECA, Acting Secretary, took roll call.

3. Call to the Public

There was no call to the public.

4. Executive Session for General Legal Advice and Consultation on Contracts Pursuant to A.R.S. §38-431.03 (A)(3) and (4)

*Sam Scarmardo made a motion to move into executive session for legal advice and consultation on contracts pursuant to A.R.S §38-431.03(A)(3) and (4), seconded by Hal Christiansen and unanimously carried.*

Meeting reconvened at 4:30p.m.

5. Discussion and Possible Action re Cerner Management Contract

*Marcia Cox made a motion to enter into a ratification agreement with Cerner for 60 days to renegotiate expenses and costs, if no agreement is reached, to begin a 120-day wind down period and to authorize the Trust Chairperson to sign the Agreement, seconded by Sam Scarmardo and unanimously carried.*

6. Adjourn

*Sam Scarmardo made a motion to adjourn the meeting at 4:32 p.m., seconded by Marcia Cox and unanimously carried.*

Respectfully submitted,

Jaime Schulenberg, Acting Secretary, LHUSD #1 Employee Benefit Trust

# **MEMORANDUM**

TO: **LHSEBT Trustees**

FROM: **ERIN P. COLLINS & ASSOCIATES, INC. (ECA)**  
Jaime Schulenberg, Sr. Account Manager

DATE: July 12, 2018

RE: Approval of December 2017 through June 2018 Financials

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Attached are the compilation (financial) reports for December 2017 through June 2018 prepared by Mike Bonney at GDK, CPA.

We would request approval of the financials as presented.

If you should have any questions between now and the date of the meeting, feel free to call or email me at (928) 753-4700 x302 or [jaimes@ecollinsandassociates.com](mailto:jaimes@ecollinsandassociates.com).

**Compilation Report**

**Financial Statements**

**Lake Havasu Unified School District #1  
Employee Benefit Trust**

**For the one month and six months ended December 31, 2017**

**Prepared By:**

**GDK CPA, LLC**  
90 S. Acoma Blvd, Suite 100  
Lake Havasu City, AZ 86403



# **GDK CPA, LLC**

90 Acoma Blvd S, Suite 100 • Lake Havasu City, AZ 86403  
Office: (928) 680-1994 • Fax: (928) 680-2933  
Email: [mike@gdkcpa.com](mailto:mike@gdkcpa.com) • Website: [www.gdkcpa.com](http://www.gdkcpa.com)

## **INDEPENDENT ACCOUNTANT'S REPORT**

Lake Havasu Unified School District #1  
Employee Benefit Trust  
Lake Havasu City, Arizona 86403

Management is responsible for the accompanying financial statements of Lake Havasu Unified School District #1 Employee Benefit Trust which comprise the statement of net assets, as of December 31, 2017, and the related statement of activities for the one month and six months then ended, and for determining that the modified cash basis of accounting is an acceptable financial framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles accepted in the United States of America.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Lake Havasu Unified School District #1 Employee Benefit Trust.

**GDK CPA, LLC**

**GDK CPA, LLC**  
February 9, 2018



**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Net Assets**  
**December 31, 2017**

**ASSETS**

**Current Assets**

**Checking/Savings**

Wells Fargo 8200	\$ 1,618,458
Wells Fargo	1,133,529
Morgan Stanley 39055	929,102
Morgan Stanley 41055	89

<b>Total Checking/Savings</b>	<u>3,681,178</u>
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<b>Total Current Assets</b>	<u>3,681,178</u>
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**Fixed Assets**

Leasehold Improvements	278,772
Accumulated Depreciation	(274,732)

<b>Total Fixed Assets</b>	<u>4,040</u>
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<b>TOTAL ASSETS</b>	<u><u>\$ 3,685,219</u></u>
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**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Other Current Liabilities**

Claims Payable	\$ 316,011
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<b>Total Other Current Liabilities</b>	<u>316,011</u>
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<b>Total Current Liabilities</b>	<u>316,011</u>
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<b>Total Liabilities</b>	<u>316,011</u>
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**Equity**

Unrestricted Net Assets	2,515,596
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Net Income	853,612
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<b>Total Equity</b>	<u>3,369,208</u>
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<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>\$ 3,685,219</u></u>
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**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Activity**  
**For the one month and six months ended December 31, 2017**

	<b>Dec 17</b>	<b>Jul - Dec 17</b>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Additional District Contributio	\$ -	\$ 653,338
Claim Refund Income	2,115	13,750
Cobra Income	2,667	24,506
Dependent Contributions	114,521	343,683
District Contributions	674,377	2,143,940
Reinsurance Income	-	6,119
Retiree Contributions	19,803	109,046
RX Rebates	-	133,338
Stoploss Reimbursement	-	1,461
WOW Income	-	1,787
<b>Total Income</b>	<b>813,483</b>	<b>3,430,968</b>
<b>Gross Profit</b>	<b>813,483</b>	<b>3,430,968</b>
<b>Expense</b>		
<b>Claim Payments</b>		
WISRX	-	188,330
Medical	355,389	1,450,880
RX Fees	445	1,198
Vision	468	2,696
<b>Total Claim Payments</b>	<b>356,301</b>	<b>1,643,104</b>
Cleaning	475	2,850
Commission Expense	7,356	44,156
Depreciation Expense	4,040	24,241
<b>Insurance</b>		
Dental	11,839	140,756
Life	-	10,448
Insurance - Other	7,046	7,046
<b>Total Insurance</b>	<b>18,885</b>	<b>158,250</b>
Landscaping	600	1,200
Mammography Fees	3,662	4,272
Management Fee	-	260,041
Medical Fee Expense	244	244
Pest Control	110	415
<b>Professional Fees</b>		
Consulting Fee	45,063	257,717
Benefit Management	53,609	141,025
Accounting	-	8,150
Legal	(3,021)	(186)
<b>Total Professional Fees</b>	<b>95,651</b>	<b>406,706</b>
Property Taxes	-	4,553

See accompanying accountant's report which is an integral part of these financial statements.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1  
EMPLOYEE BENEFIT TRUST**

**Statement of Activity**

**For the one month and six months ended December 31, 2017**

	<b>Dec 17</b>	<b>Jul - Dec 17</b>
Rent Expense	3,275	19,650
Repairs and Maintenance	150	1,797
Security	107	300
Telephone	35	4,526
Utilities	329	4,055
<b>Total Expense</b>	<b>491,221</b>	<b>2,580,360</b>
<b>Net Ordinary Income</b>	<b>322,262</b>	<b>850,608</b>
<b>Other Income/Expense</b>		
Other Income		
Interest Income	60	1,092
Unrealized gain(loss) on invest	(3,248)	1,912
<b>Total Other Income</b>	<b>(3,188)</b>	<b>3,004</b>
<b>Net Other Income</b>	<b>(3,188)</b>	<b>3,004</b>
<b>Net Income</b>	<b>\$ 319,074</b>	<b>\$ 853,612</b>

**Compilation Report**

**Financial Statements**

**Lake Havasu Unified School District #1  
Employee Benefit Trust**

**For the one month and seven months ended January 31, 2018**

**Prepared By:**

**GDK CPA, LLC**  
90 S. Acoma Blvd, Suite 100  
Lake Havasu City, AZ 86403



# **GDK CPA, LLC**

90 Acoma Blvd S, Suite 100 • Lake Havasu City, AZ 86403  
Office: (928) 680-1994 • Fax: (928) 680-2933  
Email: [mike@gdkcpa.com](mailto:mike@gdkcpa.com) • Website: [www.gdkcpa.com](http://www.gdkcpa.com)

## **INDEPENDENT ACCOUNTANT'S REPORT**

Lake Havasu Unified School District #1  
Employee Benefit Trust  
Lake Havasu City, Arizona 86403

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The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles accepted in the United States of America.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Lake Havasu Unified School District #1 Employee Benefit Trust.

**GDK CPA, LLC**

**GDK CPA, LLC**  
February 20, 2018

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Net Assets**  
**January 31, 2018**

**ASSETS**

**Current Assets**

**Checking/Savings**

Wells Fargo 8200 \$ 1,619,610

Wells Fargo 1,073,599

Morgan Stanley 39055 929,220

Morgan Stanley 41055 90

**Total Checking/Savings** 3,622,519

**Total Current Assets** 3,622,519

**Fixed Assets**

Leasehold Improvements 278,772

Accumulated Depreciation (278,772)

**Total Fixed Assets** -

**TOTAL ASSETS** \$ 3,622,519

**LIABILITIES & EQUITY**

**Equity**

Unrestricted Net Assets \$ 2,515,596

Net Income 1,106,923

**Total Equity** 3,622,519

**TOTAL LIABILITIES & EQUITY** \$ 3,622,519

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Activity**  
**For the one month and seven months ended January 31, 2018**

	Jan 18	Jul '17 - Jan 18
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Additional District Contributio	\$ -	\$ 653,338
Claim Refund Income	-	13,750
Cobra Income	652	25,158
Dependent Contributions	75,262	418,945
District Contributions	376,066	2,520,006
Reinsurance Income	-	6,119
Retiree Contributions	12,930	121,976
RX Rebates	-	133,338
Stoploss Reimbursement	-	1,461
WOW Income	-	1,787
<b>Total Income</b>	<b>464,910</b>	<b>3,895,878</b>
<b>Gross Profit</b>	<b>464,910</b>	<b>3,895,878</b>
<b>Expense</b>		
<b>Claim Payments</b>		
WISRX	-	188,330
Medical	364,839	1,815,719
RX Fees	167	1,366
Vision	170	2,866
Claim Payments - Other	(316,011)	(316,011)
<b>Total Claim Payments</b>	<b>49,166</b>	<b>1,692,270</b>
Cleaning	-	2,850
Commission Expense	-	44,156
Depreciation Expense	4,040	28,281
<b>Insurance</b>		
Dental	18,852	159,608
Life	46,750	57,198
Insurance - Other	3,568	10,614
<b>Total Insurance</b>	<b>69,170</b>	<b>227,420</b>
Landscaping	200	1,400
Mammography Fees	5,005	9,277
Management Fee	357	260,398
Medical Fee Expense	-	244
Pest Control	-	415
<b>Professional Fees</b>		
Consulting Fee	43,921	301,639
Benefit Management	33,605	174,630
Accounting	-	8,150
Legal	1,286	1,100
<b>Total Professional Fees</b>	<b>78,812</b>	<b>485,519</b>

See accompanying accountant's report which is an integral part of these financial statements.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1  
EMPLOYEE BENEFIT TRUST**

**Statement of Activity**

**For the one month and seven months ended January 31, 2018**

	<b>Jan 18</b>	<b>Jul '17 - Jan 18</b>
Property Taxes	-	4,553
Rent Expense	3,275	22,925
Repairs and Maintenance	-	1,797
Security	-	300
Telephone	1,831	6,357
Utilities	1,014	5,069
<b>Total Expense</b>	<b>212,870</b>	<b>2,793,230</b>
<b>Net Ordinary Income</b>	<b>252,041</b>	<b>1,102,648</b>
<b>Other Income/Expense</b>		
Other Income		
Interest Income	118	1,210
Unrealized gain(loss) on invest	1,152	3,064
<b>Total Other Income</b>	<b>1,271</b>	<b>4,275</b>
<b>Net Other Income</b>	<b>1,271</b>	<b>4,275</b>
<b>Net Income</b>	<b>\$ 253,311</b>	<b>\$ 1,106,923</b>



Compilation Report

Financial Statements

Lake Havasu Unified School District #1  
Employee Benefit Trust

For the one month and eight months ended February 28, 2018

Prepared By:

**GDK CPA, LLC**  
90 S. Acoma Blvd, Suite 100  
Lake Havasu City, AZ 86403



# GDK CPA, LLC

90 Acoma Blvd S, Suite 100 • Lake Havasu City, AZ 86403  
Office: (928) 680-1994 • Fax: (928) 680-2933  
Email: [mike@gdkcpa.com](mailto:mike@gdkcpa.com) • Website: [www.gdkcpa.com](http://www.gdkcpa.com)

## INDEPENDENT ACCOUNTANT'S REPORT

Lake Havasu Unified School District #1  
Employee Benefit Trust  
Lake Havasu City, Arizona 86403

Management is responsible for the accompanying financial statements of Lake Havasu Unified School District #1 Employee Benefit Trust which comprise the statement of net assets, as of February 28, 2018, and the related statement of activities for the one month and eight months then ended, and for determining that the modified cash basis of accounting is an acceptable financial framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles accepted in the United States of America.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Lake Havasu Unified School District #1 Employee Benefit Trust.

GDK CPA, LLC

GDK CPA, LLC  
March 26, 2018

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Net Assets**  
**February 28, 2018**

**ASSETS**

Current Assets

Checking/Savings

Wells Fargo 8200 \$ 2,547,007

Wells Fargo Checking 6509 1,351,966

Total Checking/Savings 3,898,973

Total Current Assets 3,898,973

Fixed Assets

Leasehold Improvements 278,772

Accumulated Depreciation (278,772)

Total Fixed Assets -

**TOTAL ASSETS \$ 3,898,973**

**LIABILITIES & EQUITY**

Equity

Unrestricted Net Assets \$ 2,515,596

Net Income 1,383,377

Total Equity 3,898,973

**TOTAL LIABILITIES & EQUITY \$ 3,898,973**

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Activity**  
**For the one month and eight months ended February 28, 2018**

	Feb 18	Jul '17 - Feb 18
Ordinary Income/Expense		
Income		
Additional District Contributio	\$ -	\$ 653,338
Claim Refund Income	63	13,814
Cobra Income	2,882	28,039
Dependent Contributions	74,210	493,156
District Contributions	372,717	2,892,723
Reinsurance Income	-	6,119
Retiree Contributions	24,041	146,017
RX Rebates	27,642	160,979
Stoploss Reimbursement	267,043	268,505
WOW Income	-	1,787
Total Income	768,597	4,664,476
Gross Profit	768,597	4,664,476
Expense		
Claim Payments		
WISRX	-	188,330
Medical	88,580	1,904,299
RX Fees	166	1,531
Vision	71	2,936
Claim Payments - Other	316,011	-
Total Claim Payments	404,827	2,097,097
Cleaning	1,170	4,020
Commission Expense	-	44,156
Depreciation Expense	-	28,281
Insurance		
Dental	-	159,608
Life	9,794	66,993
Insurance - Other	-	10,614
Total Insurance	9,794	237,214
Landscaping	200	1,600
Mammography Fees	244	9,521
Medical Fee Expense	-	244
Pest Control	60	475
Professional Fees		
Consulting Fee	53,511	355,150
Benefit Management	9,532	444,560
Accounting	300	8,450
Legal	6,405	7,505
Total Professional Fees	69,748	815,665
Property Taxes	-	4,553

See accompanying accountant's report which is an integral part of these financial statements.



**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Activity**  
**For the one month and eight months ended February 28, 2018**

	<b>Feb 18</b>	<b>Jul '17 - Feb 18</b>
Rent Expense	3,275	26,200
Repairs and Maintenance	406	2,203
Security	-	300
Telephone	447	6,804
Utilities	59	5,128
<b>Total Expense</b>	<b>490,230</b>	<b>3,283,460</b>
<b>Net Ordinary Income</b>	<b>278,368</b>	<b>1,381,016</b>
<b>Other Income/Expense</b>		
<b>Other Income</b>		
Interest Income	-	1,210
Unrealized gain(loss) on invest	(1,913)	1,151
<b>Total Other Income</b>	<b>(1,913)</b>	<b>2,362</b>
<b>Net Other Income</b>	<b>(1,913)</b>	<b>2,362</b>
<b>Net Income</b>	<b>\$ 276,454</b>	<b>\$ 1,383,377</b>

Compilation Report

Financial Statements

Lake Havasu Unified School District #1  
Employee Benefit Trust

For the one month and nine months ended March 31, 2018

Prepared By:

**GDK CPA, LLC**

90 S. Acoma Blvd, Suite 100  
Lake Havasu City, AZ 86403



# GDK CPA, LLC

90 Acoma Blvd S, Suite 100 • Lake Havasu City, AZ 86403  
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## INDEPENDENT ACCOUNTANT'S REPORT

Lake Havasu Unified School District #1  
Employee Benefit Trust  
Lake Havasu City, Arizona 86403

Management is responsible for the accompanying financial statements of Lake Havasu Unified School District #1 Employee Benefit Trust which comprise the statement of net assets, as of March 31, 2018, and the related statement of activities for the one month and nine months then ended, and for determining that the modified cash basis of accounting is an acceptable financial framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles accepted in the United States of America.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Lake Havasu Unified School District #1 Employee Benefit Trust.

**GDK CPA, LLC**

**GDK CPA, LLC**  
April 12, 2018

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Net Assets**  
**March 31, 2018**

**ASSETS**

Current Assets

Checking/Savings

Wells Fargo 8200 \$ 2,547,663

Wells Fargo Checking 6509 1,160,494

Total Checking/Savings 3,708,156

Total Current Assets 3,708,156

Fixed Assets

Leasehold Improvements 278,772

Accumulated Depreciation (278,772)

Total Fixed Assets -

**TOTAL ASSETS** \$ 3,708,156

**LIABILITIES & EQUITY**

Equity

Unrestricted Net Assets \$ 2,515,596

Net Income 1,192,560

Total Equity 3,708,156

**TOTAL LIABILITIES & EQUITY** \$ 3,708,156



**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Activity**  
**For the one month and nine months ended March 31, 2018**

	Mar 18	Jul '17 - Mar 18
Ordinary Income/Expense		
Income		
Additional District Contributio	\$ -	\$ 653,338
Claim Refund Income	-	13,814
Cobra Income	-	28,039
Dependent Contributions	73,230	566,386
District Contributions	473,585	3,366,308
Reinsurance Income	-	6,119
Retiree Contributions	5,641	151,657
RX Rebates	-	160,979
Stoploss Reimbursement	-	268,505
WOW Income	-	1,787
Total Income	552,456	5,216,932
Gross Profit	552,456	5,216,932
Expense		
Claim Payments		
WISRX	-	188,330
Medical	505,209	2,409,508
RX Fees	165	1,696
Vision	-	2,936
Total Claim Payments	505,374	2,602,471
Cleaning	-	4,020
Commission Expense	-	44,156
Depreciation Expense	-	28,281
Insurance		
Dental	33,418	193,026
Life	11,230	78,223
Insurance - Other	-	10,614
Total Insurance	44,648	281,862
Landscaping	200	1,800
Mammography Fees	166	9,687
Medical Fee Expense	-	244
Pest Control	-	475
Professional Fees		
Consulting Fee	49,332	404,482
Benefit Management	137,816	582,376
Accounting	-	8,450
Legal	1,085	8,590
Total Professional Fees	188,234	1,003,898
Property Taxes	-	4,553

See accompanying accountant's report which is an integral part of these financial statements.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Activity**  
**For the one month and nine months ended March 31, 2018**

	Mar 18	Jul '17 - Mar 18
Rent Expense	3,275	29,475
Repairs and Maintenance	-	2,203
Security	162	462
Supplies	200	200
Telephone	923	7,727
Utilities	746	5,874
Total Expense	743,929	4,027,389
Net Ordinary Income	(191,473)	1,189,543
Other Income/Expense		
Other Income		
Interest Income	-	1,210
Unrealized gain(loss) on invest	656	1,807
Total Other Income	656	3,018
Net Other Income	656	3,018
Net Income	<u>\$ (190,817)</u>	<u>\$ 1,192,560</u>

**Compilation Report**

**Financial Statements**

**Lake Havasu Unified School District #1  
Employee Benefit Trust**

**For the one month and ten months ended April 30, 2018**

**Prepared By:**

**GDK CPA, LLC  
90 S. Acoma Blvd, Suite 100  
Lake Havasu City, AZ 86403**



# GDK CPA, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT

Lake Havasu Unified School District #1  
Employee Benefit Trust  
Lake Havasu City, Arizona 86403

Management is responsible for the accompanying financial statements of Lake Havasu Unified School District #1 Employee Benefit Trust which comprise the statement of net assets, as of April 30, 2018, and the related statement of activities for the one month and ten months then ended, and for determining that the modified cash basis of accounting is an acceptable financial framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles accepted in the United States of America.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Lake Havasu Unified School District #1 Employee Benefit Trust.

GDK CPA, LLC  
June 11, 2018

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Net Assets**  
**April 30, 2018**

**ASSETS**

**Current Assets**

**Checking/Savings**

Wells Fargo 8200 \$ 2,551,013

Wells Fargo Checking 6509 1,401,401

**Total Checking/Savings** 3,952,414

**Total Current Assets** 3,952,414

**Fixed Assets**

Leasehold Improvements 278,772

Accumulated Depreciation (278,772)

**Total Fixed Assets** -

**TOTAL ASSETS** \$ 3,952,414

**LIABILITIES & EQUITY**

**Equity**

Unrestricted Net Assets \$ 2,515,596

Net Income 1,436,818

**Total Equity** 3,952,414

**TOTAL LIABILITIES & EQUITY** \$ 3,952,414

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Activity**  
**For the one month and ten months ended April 30, 2018**

	Apr '18	Jul '17 - Apr '18
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Additional District Contributio	\$ -	\$ 653,338
Claim Refund Income	353	14,167
Cobra Income	3,534	31,573
Dependent Contributions	75,687	642,073
District Contributions	516,555	3,882,863
Reinsurance Income	-	6,119
Retiree Contributions	22,183	173,841
RX Rebates	-	160,979
Stoploss Reimbursement	81,571	350,076
WOW Income	-	1,787
Reimbursements	122	122
<b>Total Income</b>	<u>700,005</u>	<u>5,916,936</u>
<b>Gross Profit</b>	700,005	5,916,936
<b>Expense</b>		
<b>Claim Payments</b>		
WISRX	-	188,330
Medical	320,826	2,730,334
RX Fees	166	1,862
Vision	2,156	5,092
<b>Total Claim Payments</b>	<u>323,148</u>	<u>2,925,618</u>
Cleaning	2,340	6,360
Commission Expense	-	44,156
Depreciation Expense	-	28,281
<b>Insurance</b>		
Dental	20,085	213,111
Life	-	78,223
Insurance - Other	3,610	14,224
<b>Total Insurance</b>	<u>23,695</u>	<u>305,557</u>
Landscaping	-	1,800
Mammography Fees	-	9,687
Medical Fee Expense	-	244
Pest Control	120	595
<b>Professional Fees</b>		
Consulting Fee	48,868	453,350
Benefit Management	56,488	638,864
Accounting	-	8,450
Legal	105	8,695
<b>Total Professional Fees</b>	<u>105,462</u>	<u>1,109,360</u>

See accompanying accountant's report which is an integral part of these financial statements.

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Activity**  
**For the one month and ten months ended April 30, 2018**

	<u>Apr '18</u>	<u>Jul '17 - Apr '18</u>
Property Taxes	-	4,553
Rent Expense	3,275	32,750
Repairs and Maintenance	106	2,308
Security	-	462
Supplies	-	200
Telephone	448	8,175
Utilities	505	6,380
<b>Total Expense</b>	<u>459,098</u>	<u>4,486,486</u>
<b>Net Ordinary Income</b>	<u>240,907</u>	<u>1,430,450</u>
<b>Other Income/Expense</b>		
<b>Other Income</b>		
Interest Income	-	1,210
Unrealized gain(loss) on invest	3,350	5,158
<b>Total Other Income</b>	<u>3,350</u>	<u>6,368</u>
<b>Net Other Income</b>	<u>3,350</u>	<u>6,368</u>
<b>Net Income</b>	<u><u>\$ 244,258</u></u>	<u><u>\$ 1,436,818</u></u>



Compilation Report

Financial Statements

Lake Havasu Unified School District #1  
Employee Benefit Trust

For the one month and eleven months ended May 31, 2018

Prepared By:

**GDK CPA, LLC**  
90 S. Acoma Blvd, Suite 100  
Lake Havasu City, AZ 86403





# GDK CPA, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT

Lake Havasu Unified School District #1  
Employee Benefit Trust  
Lake Havasu City, Arizona 86403

Management is responsible for the accompanying financial statements of Lake Havasu Unified School District #1 Employee Benefit Trust which comprise the statement of net assets, as of May 31, 2018, and the related statement of activities for the one month and eleven months then ended, and for determining that the modified cash basis of accounting is an acceptable financial framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles accepted in the United States of America.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Lake Havasu Unified School District #1 Employee Benefit Trust.

GDK CPA, LLC

GDK CPA, LLC  
June 12, 2018

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Net Assets**  
**May 31, 2018**

**ASSETS**

**Current Assets**

**Checking/Savings**

Wells Fargo 8200 \$ 2,556,261

Wells Fargo Checking 6509 1,345,995

**Total Checking/Savings** 3,902,256

**Total Current Assets** 3,902,256

**Fixed Assets**

Leasehold Improvements 278,772

Accumulated Depreciation (278,772)

**Total Fixed Assets** -

**TOTAL ASSETS** \$ 3,902,256

**LIABILITIES & EQUITY**

**Equity**

Unrestricted Net Assets \$ 2,515,596

Net Income 1,386,660

**Total Equity** 3,902,256

**TOTAL LIABILITIES & EQUITY** \$ 3,902,256

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Activity**  
**For the one month and eleven months ended May 31, 2018**

	May '18	Jul '17 - May '18
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Additional District Contributio	\$ -	\$ 653,338
Claim Refund Income	2,025	16,191
Cobra Income	652	32,225
Dependent Contributions	73,273	715,346
District Contributions	260,157	4,143,020
Dividend Income	166	166
Reinsurance Income	-	6,119
Retiree Contributions	22,074	195,914
RX Rebates	30,789	191,768
Stoploss Reimbursement	109,619	459,694
WOW Income	-	1,787
Reimbursements	-	122
<b>Total Income</b>	<b>498,754</b>	<b>6,415,690</b>
<b>Gross Profit</b>	<b>498,754</b>	<b>6,415,690</b>
<b>Expense</b>		
<b>Claim Payments</b>		
WISRX	-	188,330
Medical	363,691	3,094,025
RX Fees	164	2,026
Vision	3,424	8,516
<b>Total Claim Payments</b>	<b>367,279</b>	<b>3,292,898</b>
Cleaning	1,170	7,530
Commission Expense	-	44,156
Depreciation Expense	-	28,281
<b>Insurance</b>		
Dental	18,948	232,059
Life	22,122	100,345
Insurance - Other	11,094	25,318
<b>Total Insurance</b>	<b>52,164</b>	<b>357,721</b>
Investment Expenses	289	289
Landscaping	400	2,200
Mammography Fees	10,339	20,026
Medical Fee Expense	-	244
Pest Control	60	655
<b>Professional Fees</b>		
Consulting Fee	49,407	502,757
Benefit Management	55,341	694,205
Accounting	300	8,750

See accompanying accountant's report which is an integral part of these financial statements.



**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Activity**  
**For the one month and eleven months ended May 31, 2018**

	<b>May '18</b>	<b>Jul '17 - May '18</b>
Legal	12,541	21,236
Total Professional Fees	117,589	1,226,949
Property Taxes	-	4,553
Rent Expense	3,275	36,025
Repairs and Maintenance	205	2,514
Security	-	462
Supplies	-	200
Telephone	916	9,090
Utilities	597	6,976
Total Expense	554,283	5,040,769
Net Ordinary Income	(55,529)	1,374,921
Other Income/Expense		
Other Income		
Interest Income	7,754	8,964
Unrealized gain(loss) on invest	(2,383)	2,774
Total Other Income	5,370	11,738
Net Other Income	5,370	11,738
Net Income	<b>\$ (50,159)</b>	<b>\$ 1,386,660</b>

Compilation Report

Financial Statements

Lake Havasu Unified School District #1  
Employee Benefit Trust

For the one month and twelve months ended June 30, 2018

Prepared By:

**GDK CPA, LLC**

90 S. Acoma Blvd, Suite 100  
Lake Havasu City, AZ 86403



# GDK CPA, LLC

90 Acoma Blvd S, Suite 100 • Lake Havasu City, AZ 86403  
Office: (928) 680-1994 • Fax: (928) 680-2933  
Email: [mike@gdkcpa.com](mailto:mike@gdkcpa.com) • Website: [www.gdkcpa.com](http://www.gdkcpa.com)

## INDEPENDENT ACCOUNTANT'S REPORT

Lake Havasu Unified School District #1  
Employee Benefit Trust  
Lake Havasu City, Arizona 86403

Management is responsible for the accompanying financial statements of Lake Havasu Unified School District #1 Employee Benefit Trust which comprise the statement of net assets, as of June 30, 2018, and the related statement of activities for the one month and twelve months then ended, and for determining that the modified cash basis of accounting is an acceptable financial framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles accepted in the United States of America.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Lake Havasu Unified School District #1 Employee Benefit Trust.

GDK CPA, LLC

GDK CPA, LLC  
July 12, 2018

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Net Assets**  
**June 30, 2018**

**ASSETS**

**Current Assets**

**Checking/Savings**

**Wells Fargo 8200** \$ 2,557,618

**Wells Fargo Checking 6509** 1,017,964

**Total Checking/Savings** 3,575,582

**Total Current Assets** 3,575,582

**Fixed Assets**

**Leasehold Improvements** 278,772

**Accumulated Depreciation** (278,772)

**Total Fixed Assets** -

**TOTAL ASSETS** \$ 3,575,582

**LIABILITIES & EQUITY**

**Equity**

**Unrestricted Net Assets** \$ 2,515,596

**Revenues Over Expenses** 1,059,986

**Total Equity** 3,575,582

**TOTAL LIABILITIES & EQUITY** \$ 3,575,582

**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Activity**  
**For the one month and twelve months ended June, 2018**

	June '18	Jul '17 - June '18
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Additional District Contributio	\$ -	\$ 653,338
Claim Refund Income	297	16,489
Cobra Income	1,767	33,992
Dependent Contributions	147,341	862,686
District Contributions	206,275	4,349,294
Reinsurance Income	-	6,119
Retiree Contributions	26,201	222,115
RX Rebates	4,487	196,255
Stoploss Reimbursement	136,337	596,032
WOW Income	-	1,787
Reimbursements	-	122
<b>Total Income</b>	<b>522,705</b>	<b>6,938,229</b>
<b>Gross Profit</b>	<b>522,705</b>	<b>6,938,229</b>
<b>Expense</b>		
<b>Claim Payments</b>		
WISRX	-	188,330
Medical	623,814	3,717,839
RX Fees	-	2,026
Vision	3,375	11,891
<b>Total Claim Payments</b>	<b>627,189</b>	<b>3,920,086</b>
Cleaning	1,170	8,700
Commission Expense	-	44,156
Depreciation Expense	-	28,281
<b>Insurance</b>		
Dental	19,405	251,464
Life	19,974	120,319
Insurance - Other	3,244	28,562
<b>Total Insurance</b>	<b>42,623</b>	<b>400,344</b>
Investment Expenses	124	413
Landscaping	200	2,400
Mammography Fees	339	20,365
Medical Fee Expense	-	244
Pest Control	60	715

See accompanying accountant's report which is an integral part of these financial statements.



**LAKE HAVASU UNIFIED SCHOOL DISTRICT #1**  
**EMPLOYEE BENEFIT TRUST**  
**Statement of Activity**  
**For the one month and twelve months ended June, 2018**

	<u>June '18</u>	<u>Jul '17 - June '18</u>
<b>Professional Fees</b>		
Consulting Fee	49,057	551,814
Benefit Management	120,797	815,002
Accounting	300	9,050
Legal	2,938	24,174
<b>Total Professional Fees</b>	<u>173,092</u>	<u>1,400,041</u>
<b>Property Taxes</b>	-	4,553
<b>Rent Expense</b>	3,275	39,300
<b>Repairs and Maintenance</b>	755	3,269
<b>Security</b>	-	462
<b>Supplies</b>	-	200
<b>Telephone</b>	853	9,943
<b>Utilities</b>	1,179	8,155
<b>Total Expense</b>	<u>850,859</u>	<u>5,891,628</u>
<b>Revenues Over Expenses</b>	<u>(328,155)</u>	<u>1,046,600</u>
<b>Other Income/Expense</b>		
<b>Other Income</b>		
Dividend Income	9	176
Interest Income	538	9,502
Unrealized gain(loss) on invest	2,291	3,708
<b>Total Other Income</b>	<u>2,839</u>	<u>13,386</u>
<b>Net Other Income</b>	<u>2,839</u>	<u>13,386</u>
<b>Revenues Over Expenses</b>	<u>\$ (325,316)</u>	<u>\$ 1,059,986</u>

See accompanying accountant's report which is an integral part of these financial statements.

# **MEMORANDUM**

TO: **LHSEBT Trustees**

FROM: **ERIN P. COLLINS & ASSOCIATES, INC. (ECA)**  
Jaime Schulenberg, Sr. Account Manager

DATE: July 12, 2018

RE: Vendor Reports

---

Attached are reports from Gilsbar and Ameritas summarizing medical and dental claims for the 2017-18 plan year. Representatives from both vendors will be at the meeting to review these reports with Trustees.

If you should have any questions between now and the date of the meeting, feel free to call or email me at (928) 753-4700 x302 or [jaimes@ecollinsandassociates.com](mailto:jaimes@ecollinsandassociates.com).

# our report

on LAKE HAVASU UNIFIED SCHOOL DISTRICT

Presented by  
RICH HANNA  
11811 N TATUM BLVD  
STE P-184  
PHOENIX AZ 85028-6047  
602-953-1903

07/12/2018



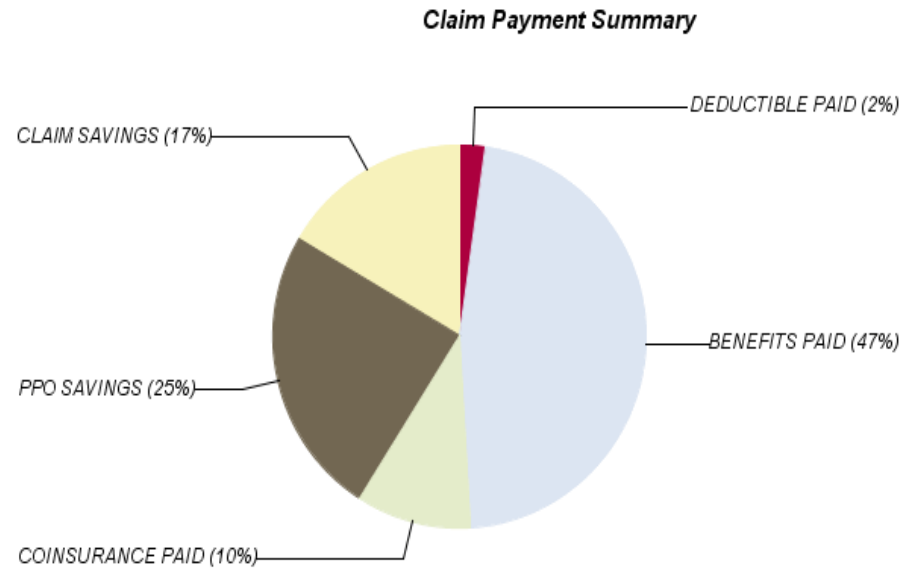
# LAKE HAVASU UNIFIED SCHOOL DISTRICT

## Claim Payment Summary



Policy #: 301248 07/01/2017 through 06/30/2018

Procedure Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid
3,318	\$410,545	\$100,716	\$67,753	\$242,075	\$9,300	\$40,788	\$191,987



AMERITAS LIFE INSURANCE CORP.

# LAKE HAVASU UNIFIED SCHOOL DISTRICT

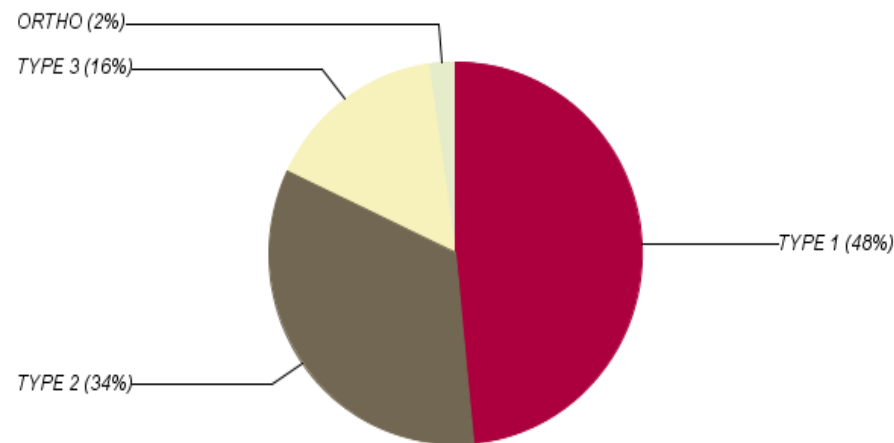
Claim Payment Breakdown by Procedure Type



Policy #: 301248 07/01/2017 through 06/30/2018

Dental Procedure Type	Proc Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid	% Total Ben Paid
TYPE 1	2,549	\$145,236	\$39,503	\$12,200	\$93,534	\$100	\$297	\$93,137	48.5%
TYPE 2	558	\$130,373	\$31,797	\$20,942	\$77,634	\$7,200	\$5,991	\$64,443	33.6%
TYPE 3	132	\$108,745	\$29,175	\$17,479	\$62,092	\$2,000	\$30,046	\$30,046	15.7%
ORTHO	30	\$8,908	\$0	\$0	\$8,908	\$0	\$4,454	\$4,454	2.3%
NONCLASSIFIED	48	\$17,283	\$242	\$17,041	\$0	\$0	\$0	\$0	.0%
CREDITS	1	\$0	\$0	\$92	-\$92	\$0	\$0	-\$92	-.1%
<b>TOTAL</b>	<b>3,318</b>	<b>\$410,545</b>	<b>\$100,716</b>	<b>\$67,753</b>	<b>\$242,076</b>	<b>\$9,300</b>	<b>\$40,788</b>	<b>\$191,988</b>	<b>100.0%</b>

Claim Payment Breakdown by Procedure Type



# LAKE HAVASU UNIFIED SCHOOL DISTRICT

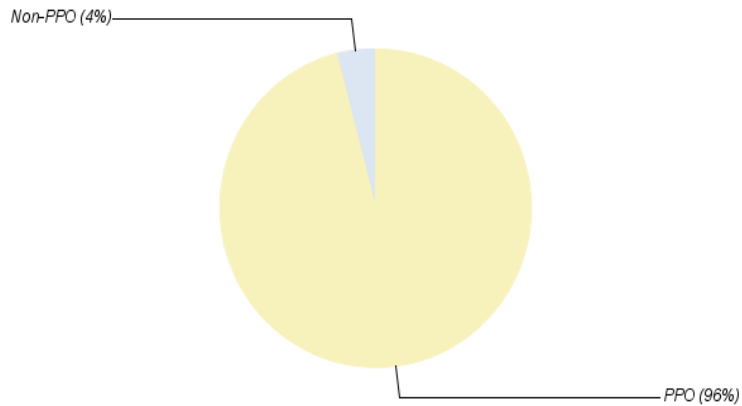
Claim Summary - PPO vs. Non-PPO



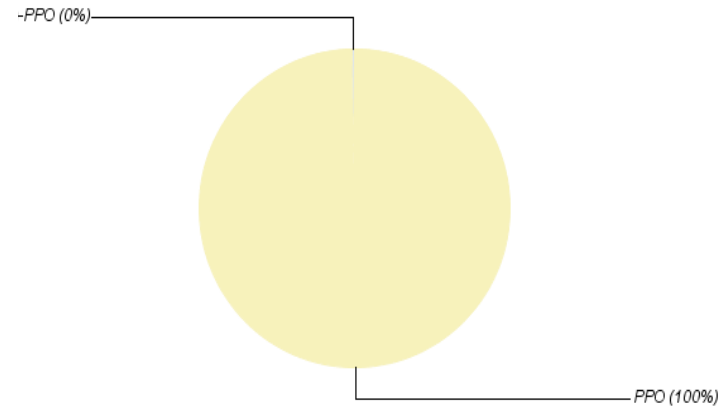
Policy #: 301248 07/01/2017 through 06/30/2018

PPO	Proc Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid	% Total Ben Paid
Yes	3,194	\$393,844	\$100,716	\$52,959	\$240,168	\$9,200	\$39,581	\$191,387	99.7%
No	124	\$16,701	\$0	\$14,794	\$1,907	\$100	\$1,207	\$600	.3%
Total	3,318	\$410,545	\$100,716	\$67,753	\$242,075	\$9,300	\$40,788	\$191,987	100.0%

Actual Submitted Claims - PPO vs. Non-PPO



Total Benefits Paid - PPO vs. Non-PPO



# LAKE HAVASU UNIFIED SCHOOL DISTRICT

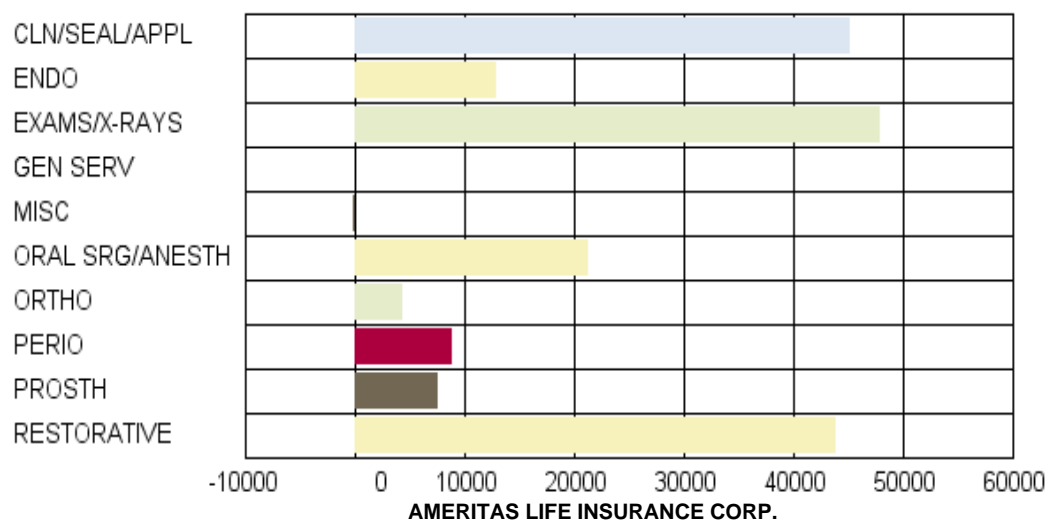
Claim Payment Analysis by Procedure Group



Policy #: 301248 07/01/2017 through 06/30/2018

Procedure Group	Proc Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid	% Total Ben Paid
EXAMS/X-RAYS	1,646	\$78,257	\$22,219	\$7,728	\$48,311	\$50	\$271	\$47,990	25.0%
CLN/SEAL/APPL	912	\$66,486	\$17,437	\$3,826	\$45,223	\$50	\$26	\$45,147	23.5%
RESTORATIVE	372	\$131,815	\$32,096	\$25,937	\$73,782	\$5,200	\$24,710	\$43,871	22.9%
ENDO	35	\$23,844	\$5,165	\$4,040	\$14,639	\$759	\$976	\$12,904	6.7%
PERIO	99	\$21,849	\$6,313	\$4,795	\$10,741	\$1,340	\$537	\$8,864	4.6%
PROSTH	38	\$38,396	\$11,431	\$11,938	\$15,027	\$241	\$7,250	\$7,536	3.9%
ORAL SRG/ANESTH	155	\$36,272	\$5,979	\$4,788	\$25,505	\$1,650	\$2,563	\$21,292	11.1%
GEN SERV	8	\$2,528	\$0	\$2,528	\$0	\$0	\$0	\$0	.0%
MISC	23	\$2,190	\$78	\$2,174	-\$62	\$10	\$0	-\$71	.0%
ORTHO	30	\$8,908	\$0	\$0	\$8,908	\$0	\$4,454	\$4,454	2.3%
TOTAL	3,318	\$410,545	\$100,716	\$67,753	\$242,075	\$9,300	\$40,788	\$191,987	100.0%

Total Benefits Paid by Procedure Group



# LAKE HAVASU UNIFIED SCHOOL DISTRICT

Claim Payment Analysis by Category within Procedure Group



Policy #: 301248 07/01/2017 through 06/30/2018

Procedure Group	Procedure Category	Proc Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid	% Total Ben Paid
EXAMS/X-RAYS	ROUTINE EXAMS	529	\$25,700	\$6,665	\$1,688	\$17,347	\$0	\$48	\$17,299	9.0%
	LTD ORAL EXAMS	95	\$6,463	\$1,822	\$2,233	\$2,408	\$50	\$2	\$2,356	1.2%
	BITEWING XRAYs	414	\$21,432	\$6,126	\$1,108	\$14,197	\$0	\$38	\$14,159	7.4%
	FMX/PANO XRAYs	124	\$13,245	\$4,076	\$1,566	\$7,603	\$0	\$64	\$7,539	3.9%
	OTHER XRAYs	480	\$11,128	\$3,440	\$931	\$6,756	\$0	\$120	\$6,637	3.5%
	PRE-DIAGNOSTIC	4	\$290	\$90	\$200	\$0	\$0	\$0	\$0	.0%
CLN/SEAL/APPL	PROPHYS/FLUOR	869	\$64,540	\$16,821	\$3,826	\$43,893	\$50	\$26	\$43,817	22.8%
	SEALANTS	43	\$1,946	\$616	\$0	\$1,330	\$0	\$0	\$1,330	.7%
RESTORATIVE	AMALGAM RESTORE	5	\$537	\$75	\$0	\$462	\$50	\$46	\$366	.2%
	RESIN RESTORE	242	\$46,917	\$12,562	\$9,650	\$24,705	\$2,998	\$1,824	\$19,883	10.4%
	SS CROWNS	3	\$586	\$39	\$0	\$547	\$43	\$37	\$467	.2%
	SEDATIVE FILLNG	2	\$132	\$26	\$0	\$106	\$50	\$5	\$51	.0%
	CROWNS	73	\$72,863	\$15,538	\$13,940	\$43,385	\$1,686	\$20,809	\$20,890	10.9%
	VENEERS	1	\$480	\$0	\$480	\$0	\$0	\$0	\$0	.0%
	CORE BUILD-UP	34	\$8,611	\$3,348	\$1,709	\$3,554	\$116	\$1,653	\$1,784	.9%
	POST AND CORE	3	\$952	\$279	\$0	\$673	\$7	\$333	\$333	.2%
	RECEMENT	9	\$737	\$228	\$159	\$350	\$250	\$3	\$97	.1%
	ROOT CANALS	26	\$23,074	\$5,083	\$3,863	\$14,128	\$676	\$943	\$12,510	6.5%
	OTHER ENDO	8	\$743	\$82	\$150	\$511	\$83	\$34	\$395	.2%
ENDO	PULP CAP	1	\$27	\$0	\$27	\$0	\$0	\$0	\$0	.0%
PERIO	OTHER PERIO SER	55	\$7,115	\$1,745	\$1,514	\$3,856	\$1,040	\$44	\$2,772	1.4%
	NON-SURG PERIO	33	\$7,727	\$2,917	\$876	\$3,934	\$150	\$404	\$3,380	1.8%
	SURG PERIO	11	\$7,007	\$1,651	\$2,405	\$2,951	\$150	\$89	\$2,712	1.4%
PROSTH	DENTURE RELINES	1	\$405	\$170	\$235	\$0	\$0	\$0	\$0	.0%
	DENTURE REPAIR	5	\$948	\$311	\$351	\$286	\$0	\$0	\$286	.1%
	PROSTH-REMOVABL	11	\$13,958	\$5,950	\$2,786	\$5,222	\$50	\$2,586	\$2,586	1.3%
	PROSTH-FIXED	15	\$16,154	\$4,926	\$1,709	\$9,519	\$191	\$4,664	\$4,664	2.4%
	IMPLANTS	6	\$6,931	\$74	\$6,857	\$0	\$0	\$0	\$0	.0%
ORAL SRG/ANESTH	NON-SURG EXTRAC	32	\$4,259	\$1,338	\$106	\$2,815	\$755	\$409	\$1,651	.9%



# LAKE HAVASU UNIFIED SCHOOL DISTRICT

Claim Payment Analysis by Category within Procedure Group



Policy #: 301248 07/01/2017 through 06/30/2018

Procedure Group	Procedure Category	Proc Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid	% Total Ben Paid
ORAL SRG/ANESTH	SURG EXTRACT	63	\$17,599	\$3,336	\$571	\$13,691	\$578	\$1,169	\$11,944	6.2%
	TISSUE BIOPSY	3	\$869	\$20	\$0	\$849	\$50	\$27	\$772	.4%
	ANESTH-GEN/IV	50	\$10,164	\$1,284	\$730	\$8,150	\$267	\$958	\$6,926	3.6%
	ANESTH-LOC/NITR	4	\$100	\$0	\$100	\$0	\$0	\$0	\$0	.0%
	BONAUGMENTATION	3	\$3,281	\$0	\$3,281	\$0	\$0	\$0	\$0	.0%
GEN SERV	APPLIANCE THERA	2	\$360	\$0	\$360	\$0	\$0	\$0	\$0	.0%
	OCCLUSAL GUARD	4	\$1,860	\$0	\$1,860	\$0	\$0	\$0	\$0	.0%
	DRUGS	1	\$53	\$0	\$53	\$0	\$0	\$0	\$0	.0%
	BLEACHING	1	\$255	\$0	\$255	\$0	\$0	\$0	\$0	.0%
MISC	MISC (DENY)	6	\$454	\$72	\$382	\$0	\$0	\$0	\$0	.0%
	MISC PREV	4	\$408	\$0	\$408	\$0	\$0	\$0	\$0	.0%
	MISC BASIC	7	\$580	\$0	\$550	\$30	\$10	\$0	\$20	.0%
	MISC(TAX & OTH)	1	\$0	\$0	\$92	-\$92	\$0	\$0	-\$92	.0%
	RARELY COVERED	5	\$748	\$6	\$742	\$0	\$0	\$0	\$0	.0%
ORTHO	ORTHO	30	\$8,908	\$0	\$0	\$8,908	\$0	\$4,454	\$4,454	2.3%
<b>TOTAL</b>		<b>3,318</b>	<b>\$410,545</b>	<b>\$100,716</b>	<b>\$67,753</b>	<b>\$242,075</b>	<b>\$9,300</b>	<b>\$40,788</b>	<b>\$191,987</b>	<b>100.0%</b>

# LAKE HAVASU UNIFIED SCHOOL DISTRICT

Claim Payment Analysis by Procedure within Category



Policy #: 301248 07/01/2017 through 06/30/2018

Procedure Category	Procedure *	Proc Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid	% Total Ben Paid
ROUTINE EXAMS	D0120	423	\$18,121	\$3,846	\$1,293	\$12,982	\$0	\$0	\$12,982	6.8%
	D0145	3	\$106	\$12	\$0	\$94	\$0	\$0	\$94	.0%
	D0150	75	\$5,704	\$2,248	\$275	\$3,180	\$0	\$48	\$3,132	1.6%
	D0180	28	\$1,769	\$558	\$120	\$1,091	\$0	\$0	\$1,091	.6%
Totals		529	\$25,700	\$6,665	\$1,688	\$17,347	\$0	\$48	\$17,299	9.0%
LTD ORAL EXAMS	D0140	94	\$6,425	\$1,821	\$2,196	\$2,408	\$50	\$2	\$2,356	1.2%
	D0170	1	\$38	\$1	\$37	\$0	\$0	\$0	\$0	.0%
Totals		95	\$6,463	\$1,822	\$2,233	\$2,408	\$50	\$2	\$2,356	1.2%
BITEWING XRAYs	D0270	12	\$359	\$208	\$0	\$151	\$0	\$0	\$151	.1%
	D0272	105	\$4,072	\$1,240	\$335	\$2,498	\$0	\$0	\$2,498	1.3%
	D0274	297	\$17,000	\$4,678	\$774	\$11,548	\$0	\$38	\$11,510	6.0%
Totals		414	\$21,432	\$6,126	\$1,108	\$14,197	\$0	\$38	\$14,159	7.4%
FMX/PANO XRAYs	D0210	55	\$6,382	\$1,944	\$364	\$4,074	\$0	\$0	\$4,074	2.1%
	D0330	69	\$6,863	\$2,132	\$1,202	\$3,528	\$0	\$64	\$3,464	1.8%
Totals		124	\$13,245	\$4,076	\$1,566	\$7,603	\$0	\$64	\$7,539	3.9%
OTHER XRAYs	D0220	244	\$6,512	\$2,232	\$588	\$3,693	\$0	\$18	\$3,675	1.9%
	D0230	230	\$4,457	\$1,190	\$343	\$2,923	\$0	\$102	\$2,822	1.5%
	D0240	6	\$159	\$19	\$0	\$140	\$0	\$0	\$140	.1%
Totals		480	\$11,128	\$3,440	\$931	\$6,756	\$0	\$120	\$6,637	3.5%

# LAKE HAVASU UNIFIED SCHOOL DISTRICT

Claim Payment Analysis by Procedure within Category



Policy #: 301248 07/01/2017 through 06/30/2018

Procedure Category	Procedure *	Proc Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid	% Total Ben Paid
PRE-DIAGNOSTIC	D0431	4	\$290	\$90	\$200	\$0	\$0	\$0	\$0	.0%
Totals		4	\$290	\$90	\$200	\$0	\$0	\$0	\$0	.0%
PROPHYS/FLUOR	D1110	619	\$53,513	\$14,029	\$2,052	\$37,433	\$50	\$26	\$37,357	19.5%
	D1120	121	\$7,088	\$1,684	\$425	\$4,979	\$0	\$0	\$4,979	2.6%
	D1206	75	\$2,645	\$850	\$1,003	\$792	\$0	\$0	\$792	.4%
	D1208	54	\$1,294	\$259	\$346	\$689	\$0	\$0	\$689	.4%
Totals		869	\$64,540	\$16,821	\$3,826	\$43,893	\$50	\$26	\$43,817	22.8%
SEALANTS	D1351	43	\$1,946	\$616	\$0	\$1,330	\$0	\$0	\$1,330	.7%
Totals		43	\$1,946	\$616	\$0	\$1,330	\$0	\$0	\$1,330	.7%
AMALGAM RESTORE	D2140	1	\$113	\$32	\$0	\$81	\$0	\$8	\$73	.0%
	D2150	4	\$424	\$43	\$0	\$381	\$50	\$38	\$293	.2%
Totals		5	\$537	\$75	\$0	\$462	\$50	\$46	\$366	.2%
RESIN RESTORE	D2330	19	\$2,649	\$750	\$428	\$1,471	\$243	\$72	\$1,157	.6%
	D2331	22	\$3,798	\$829	\$1,044	\$1,925	\$128	\$176	\$1,621	.8%
	D2332	22	\$4,539	\$1,286	\$705	\$2,547	\$186	\$190	\$2,171	1.1%
	D2335	10	\$2,433	\$798	\$84	\$1,551	\$247	\$56	\$1,248	.7%
	D2391	44	\$6,860	\$2,003	\$1,410	\$3,447	\$598	\$287	\$2,563	1.3%
	D2392	60	\$11,620	\$3,250	\$2,531	\$5,839	\$790	\$487	\$4,562	2.4%

# LAKE HAVASU UNIFIED SCHOOL DISTRICT

Claim Payment Analysis by Procedure within Category



Policy #: 301248 07/01/2017 through 06/30/2018

Procedure Category	Procedure *	Proc Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid	% Total Ben Paid
RESIN RESTORE	D2393	43	\$9,701	\$2,389	\$2,423	\$4,889	\$599	\$366	\$3,923	2.0%
	D2394	22	\$5,317	\$1,257	\$1,025	\$3,035	\$207	\$191	\$2,638	1.4%
Totals		242	\$46,917	\$12,562	\$9,650	\$24,705	\$2,998	\$1,824	\$19,883	10.4%
SS CROWNS	D2930	3	\$586	\$39	\$0	\$547	\$43	\$37	\$467	.2%
Totals		3	\$586	\$39	\$0	\$547	\$43	\$37	\$467	.2%
SEDATIVE FILLNG	D2940	2	\$132	\$26	\$0	\$106	\$50	\$5	\$51	.0%
Totals		2	\$132	\$26	\$0	\$106	\$50	\$5	\$51	.0%
CROWNS	D2740	33	\$35,000	\$7,511	\$7,879	\$19,610	\$686	\$9,462	\$9,462	4.9%
	D2750	5	\$5,828	\$1,772	\$517	\$3,539	\$140	\$1,699	\$1,699	.9%
	D2751	17	\$13,680	\$1,379	\$3,789	\$8,512	\$272	\$4,120	\$4,120	2.1%
	D2752	17	\$17,455	\$4,701	\$1,705	\$11,049	\$538	\$5,215	\$5,296	2.8%
	D2790	1	\$900	\$175	\$50	\$675	\$50	\$313	\$313	.2%
Totals		73	\$72,863	\$15,538	\$13,940	\$43,385	\$1,686	\$20,809	\$20,890	10.9%
VENEERS	D2960	1	\$480	\$0	\$480	\$0	\$0	\$0	\$0	.0%
Totals		1	\$480	\$0	\$480	\$0	\$0	\$0	\$0	.0%
CORE BUILD-UP	D2950	34	\$8,611	\$3,348	\$1,709	\$3,554	\$116	\$1,653	\$1,784	.9%
Totals		34	\$8,611	\$3,348	\$1,709	\$3,554	\$116	\$1,653	\$1,784	.9%

# LAKE HAVASU UNIFIED SCHOOL DISTRICT

Claim Payment Analysis by Procedure within Category



Policy #: 301248 07/01/2017 through 06/30/2018

Procedure Category	Procedure *	Proc Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid	% Total Ben Paid
POST AND CORE	D2954	3	\$952	\$279	\$0	\$673	\$7	\$333	\$333	.2%
Totals		3	\$952	\$279	\$0	\$673	\$7	\$333	\$333	.2%
RECEMENT	D2910	1	\$90	\$0	\$90	\$0	\$0	\$0	\$0	.0%
	D2920	6	\$417	\$136	\$0	\$281	\$200	\$3	\$78	.0%
	D6930	2	\$230	\$92	\$69	\$69	\$50	\$0	\$19	.0%
Totals		9	\$737	\$228	\$159	\$350	\$250	\$3	\$97	.1%
ROOT CANALS	D3310	5	\$3,638	\$789	\$359	\$2,490	\$100	\$149	\$2,241	1.2%
	D3320	7	\$4,011	\$312	\$2,211	\$1,488	\$86	\$133	\$1,269	.7%
	D3330	11	\$11,825	\$3,050	\$1,293	\$7,483	\$340	\$510	\$6,633	3.5%
	D3346	1	\$1,000	\$195	\$0	\$805	\$50	\$151	\$604	.3%
	D3347	1	\$1,100	\$236	\$0	\$864	\$50	\$0	\$814	.4%
	D3348	1	\$1,500	\$501	\$0	\$999	\$50	\$0	\$949	.5%
Totals		26	\$23,074	\$5,083	\$3,863	\$14,128	\$676	\$943	\$12,510	6.5%
OTHER ENDO	D3220	8	\$743	\$82	\$150	\$511	\$83	\$34	\$395	.2%
Totals		8	\$743	\$82	\$150	\$511	\$83	\$34	\$395	.2%
PULP CAP	D3120	1	\$27	\$0	\$27	\$0	\$0	\$0	\$0	.0%
Totals		1	\$27	\$0	\$27	\$0	\$0	\$0	\$0	.0%

# LAKE HAVASU UNIFIED SCHOOL DISTRICT

Claim Payment Analysis by Procedure within Category



Policy #: 301248 07/01/2017 through 06/30/2018

Procedure Category	Procedure *	Proc Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid	% Total Ben Paid
OTHER PERIO SER	D4910	55	\$7,115	\$1,745	\$1,514	\$3,856	\$1,040	\$44	\$2,772	1.4%
Totals		55	\$7,115	\$1,745	\$1,514	\$3,856	\$1,040	\$44	\$2,772	1.4%
NON-SURG PERIO	D4341	29	\$7,066	\$2,612	\$783	\$3,671	\$139	\$386	\$3,146	1.6%
	D4342	3	\$572	\$305	\$93	\$174	\$11	\$19	\$145	.1%
	D4381	1	\$89	\$0	\$0	\$89	\$0	\$0	\$89	.0%
Totals		33	\$7,727	\$2,917	\$876	\$3,934	\$150	\$404	\$3,380	1.8%
SURG PERIO	D4263	3	\$1,760	\$1,088	\$446	\$226	\$50	\$0	\$176	.1%
	D4265	1	\$50	\$0	\$50	\$0	\$0	\$0	\$0	.0%
	D4266	1	\$407	\$0	\$407	\$0	\$0	\$0	\$0	.0%
	D4267	2	\$1,100	\$0	\$1,100	\$0	\$0	\$0	\$0	.0%
	D4273	4	\$3,690	\$563	\$402	\$2,725	\$100	\$89	\$2,537	1.3%
Totals		11	\$7,007	\$1,651	\$2,405	\$2,951	\$150	\$89	\$2,712	1.4%
DENTURE RELINES	D5760	1	\$405	\$170	\$235	\$0	\$0	\$0	\$0	.0%
Totals		1	\$405	\$170	\$235	\$0	\$0	\$0	\$0	.0%
DENTURE REPAIR	D5510	3	\$525	\$166	\$175	\$184	\$0	\$0	\$184	.1%
	D5611	1	\$247	\$145	\$0	\$102	\$0	\$0	\$102	.1%
	D5630	1	\$176	\$0	\$176	\$0	\$0	\$0	\$0	.0%
Totals		5	\$948	\$311	\$351	\$286	\$0	\$0	\$286	.1%

# LAKE HAVASU UNIFIED SCHOOL DISTRICT

Claim Payment Analysis by Procedure within Category



Policy #: 301248 07/01/2017 through 06/30/2018

Procedure Category	Procedure *	Proc Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid	% Total Ben Paid
PROSTH-REMOVABL	D5213	1	\$2,321	\$1,407	\$0	\$914	\$0	\$457	\$457	.2%
	D5214	4	\$6,984	\$3,060	\$1,980	\$1,944	\$0	\$972	\$972	.5%
	D5226	2	\$2,611	\$795	\$0	\$1,816	\$0	\$908	\$908	.5%
	D5820	4	\$2,042	\$688	\$806	\$548	\$50	\$249	\$249	.1%
Totals		11	\$13,958	\$5,950	\$2,786	\$5,222	\$50	\$2,586	\$2,586	1.3%
PROSTH-FIXED	D6059	1	\$1,300	\$0	\$1,300	\$0	\$0	\$0	\$0	.0%
	D6065	1	\$1,450	\$503	\$0	\$947	\$50	\$449	\$449	.2%
	D6066	1	\$1,300	\$311	\$237	\$752	\$0	\$376	\$376	.2%
	D6240	1	\$1,000	\$372	\$16	\$612	\$11	\$300	\$300	.2%
	D6245	4	\$3,852	\$1,357	\$0	\$2,495	\$45	\$1,225	\$1,225	.6%
	D6740	4	\$3,802	\$1,045	\$0	\$2,757	\$50	\$1,354	\$1,354	.7%
	D6750	3	\$3,450	\$1,338	\$156	\$1,956	\$35	\$960	\$960	.5%
Totals		15	\$16,154	\$4,926	\$1,709	\$9,519	\$191	\$4,664	\$4,664	2.4%
IMPLANTS	D6010	3	\$5,450	\$0	\$5,450	\$0	\$0	\$0	\$0	.0%
	D6056	1	\$500	\$74	\$426	\$0	\$0	\$0	\$0	.0%
	D6057	2	\$981	\$0	\$981	\$0	\$0	\$0	\$0	.0%
Totals		6	\$6,931	\$74	\$6,857	\$0	\$0	\$0	\$0	.0%
NON-SURG EXTRAC	D7111	3	\$284	\$82	\$0	\$202	\$121	\$0	\$81	.0%
	D7140	29	\$3,975	\$1,256	\$106	\$2,613	\$634	\$409	\$1,569	.8%
Totals		32	\$4,259	\$1,338	\$106	\$2,815	\$755	\$409	\$1,651	.9%

# LAKE HAVASU UNIFIED SCHOOL DISTRICT

Claim Payment Analysis by Procedure within Category



Policy #: 301248 07/01/2017 through 06/30/2018

Procedure Category	Procedure *	Proc Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid	% Total Ben Paid
SURG EXTRACT	D7210	32	\$8,203	\$2,920	\$429	\$4,854	\$293	\$289	\$4,271	2.2%
	D7220	2	\$496	\$0	\$0	\$496	\$0	\$372	\$124	.1%
	D7230	13	\$3,780	\$328	\$0	\$3,452	\$128	\$250	\$3,074	1.6%
	D7240	14	\$4,620	\$0	\$142	\$4,478	\$124	\$258	\$4,096	2.1%
	D7250	2	\$500	\$88	\$0	\$412	\$34	\$0	\$379	.2%
Totals		63	\$17,599	\$3,336	\$571	\$13,691	\$578	\$1,169	\$11,944	6.2%
TISSUE BIOPSY	D7286	3	\$869	\$20	\$0	\$849	\$50	\$27	\$772	.4%
Totals		3	\$869	\$20	\$0	\$849	\$50	\$27	\$772	.4%
ANESTH-GEN/IV	D9221	1	\$100	\$0	\$100	\$0	\$0	\$0	\$0	.0%
	D9223	36	\$7,747	\$872	\$66	\$6,809	\$226	\$958	\$5,625	2.9%
	D9243	9	\$1,865	\$412	\$112	\$1,341	\$41	\$0	\$1,300	.7%
	D9248	4	\$452	\$0	\$452	\$0	\$0	\$0	\$0	.0%
Totals		50	\$10,164	\$1,284	\$730	\$8,150	\$267	\$958	\$6,926	3.6%
ANESTH-LOC/NITR	D9230	4	\$100	\$0	\$100	\$0	\$0	\$0	\$0	.0%
Totals		4	\$100	\$0	\$100	\$0	\$0	\$0	\$0	.0%
BONAUGMENTATION	D7950	1	\$2,499	\$0	\$2,499	\$0	\$0	\$0	\$0	.0%
	D7953	2	\$782	\$0	\$782	\$0	\$0	\$0	\$0	.0%
Totals		3	\$3,281	\$0	\$3,281	\$0	\$0	\$0	\$0	.0%



# LAKE HAVASU UNIFIED SCHOOL DISTRICT

Claim Payment Analysis by Procedure within Category



Policy #: 301248 07/01/2017 through 06/30/2018

Procedure Category	Procedure *	Proc Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid	% Total Ben Paid
APPLIANCE THERA	D8210	2	\$360	\$0	\$360	\$0	\$0	\$0	\$0	.0%
Totals		2	\$360	\$0	\$360	\$0	\$0	\$0	\$0	.0%
OCCLUSAL GUARD	D9940	4	\$1,860	\$0	\$1,860	\$0	\$0	\$0	\$0	.0%
Totals		4	\$1,860	\$0	\$1,860	\$0	\$0	\$0	\$0	.0%
DRUGS	D9630	1	\$53	\$0	\$53	\$0	\$0	\$0	\$0	.0%
Totals		1	\$53	\$0	\$53	\$0	\$0	\$0	\$0	.0%
BLEACHING	D9972	1	\$255	\$0	\$255	\$0	\$0	\$0	\$0	.0%
Totals		1	\$255	\$0	\$255	\$0	\$0	\$0	\$0	.0%
MISC (DENY)	D1310	1	\$30	\$0	\$30	\$0	\$0	\$0	\$0	.0%
	D1330	5	\$424	\$72	\$352	\$0	\$0	\$0	\$0	.0%
Totals		6	\$454	\$72	\$382	\$0	\$0	\$0	\$0	.0%
MISC PREV	D0350	4	\$408	\$0	\$408	\$0	\$0	\$0	\$0	.0%
Totals		4	\$408	\$0	\$408	\$0	\$0	\$0	\$0	.0%
MISC BASIC	D5982	1	\$400	\$0	\$400	\$0	\$0	\$0	\$0	.0%

# LAKE HAVASU UNIFIED SCHOOL DISTRICT

Claim Payment Analysis by Procedure within Category



Policy #: 301248 07/01/2017 through 06/30/2018

Procedure Category	Procedure *	Proc Count	Total Claims	PPO Savings	Claim Savings	Remaining Eligible Charge	Total Deductible Paid by Member	Total Coinsurance Paid by Member	Total Claims Paid	% Total Ben Paid
MISC BASIC	D9911	6	\$180	\$0	\$150	\$30	\$10	\$0	\$20	.0%
Totals		7	\$580	\$0	\$550	\$30	\$10	\$0	\$20	.0%
MISC(TAX & OTH)	D9999	1	\$0	\$0	\$92	-\$92	\$0	\$0	-\$92	.0%
Totals		1	\$0	\$0	\$92	-\$92	\$0	\$0	-\$92	.0%
RARELY COVERED	D0190	2	\$126	\$0	\$126	\$0	\$0	\$0	\$0	.0%
	D0364	1	\$547	\$0	\$547	\$0	\$0	\$0	\$0	.0%
	D4999	2	\$75	\$6	\$69	\$0	\$0	\$0	\$0	.0%
Totals		5	\$748	\$6	\$742	\$0	\$0	\$0	\$0	.0%
ORTHO	D8030	2	\$680	\$0	\$0	\$680	\$0	\$340	\$340	.2%
	D8040	1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	.0%
	D8080	26	\$8,228	\$0	\$0	\$8,228	\$0	\$4,114	\$4,114	2.1%
	D8680	1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	.0%
Totals		30	\$8,908	\$0	\$0	\$8,908	\$0	\$4,454	\$4,454	2.3%
<b>TOTAL</b>		<b>3,318</b>	<b>\$410,545</b>	<b>\$100,716</b>	<b>\$67,753</b>	<b>\$242,075</b>	<b>\$9,300</b>	<b>\$40,788</b>	<b>\$191,987</b>	<b>100.0%</b>

# LAKE HAVASU UNIFIED SCHOOL DISTRICT

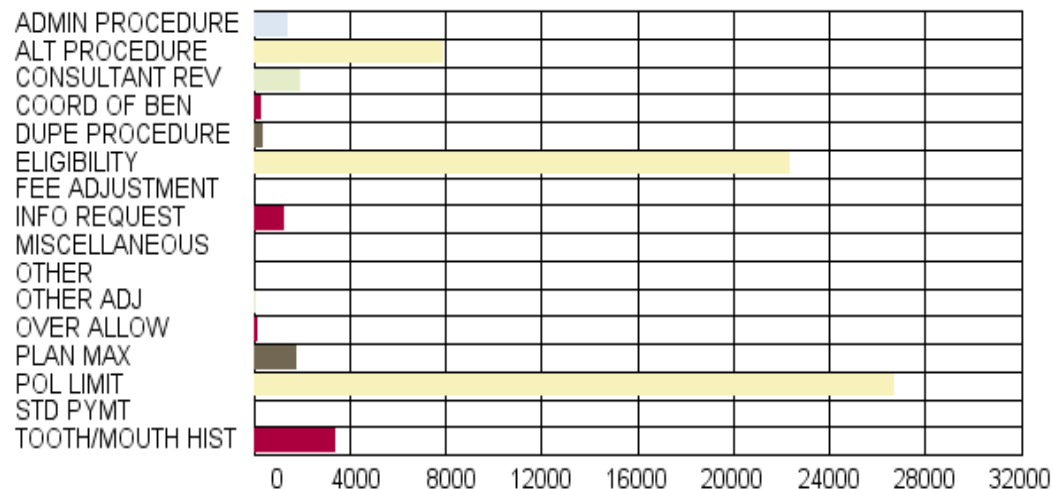
Claim Savings Categories



Policy #: 301248 07/01/2017 through 06/30/2018

Claim Savings Categories	Claim Savings	Claim Savings %
ADMINISTRATIVE PROCEDURE	\$1,382	2.0%
ALTERNATE PROCEDURE	\$7,917	11.7%
CONSULTANT REVIEW	\$1,911	2.8%
COORDINATION OF BENEFITS	\$305	.5%
DUPLICATE PROCEDURE	\$412	.6%
ELIGIBILITY	\$22,374	33.0%
FEE ADJUSTMENT	\$0	.0%
INFORMATION REQUEST	\$1,249	1.8%
MISCELLANEOUS	\$0	.0%
OTHER	\$0	.0%
OTHER ADJUSTMENTS	\$92	.1%
OVER ALLOWANCE	\$165	.2%
PLAN MAXIMUM	\$1,772	2.6%
POLICY LIMITATION	\$26,754	39.5%
STANDARD PAYMENT	\$0	.0%
TOOTH/MOUTH HISTORY	\$3,420	5.0%
TOTAL	\$67,753	100.0%

Claim Savings by Category



# LAKE HAVASU UNIFIED SCHOOL DISTRICT

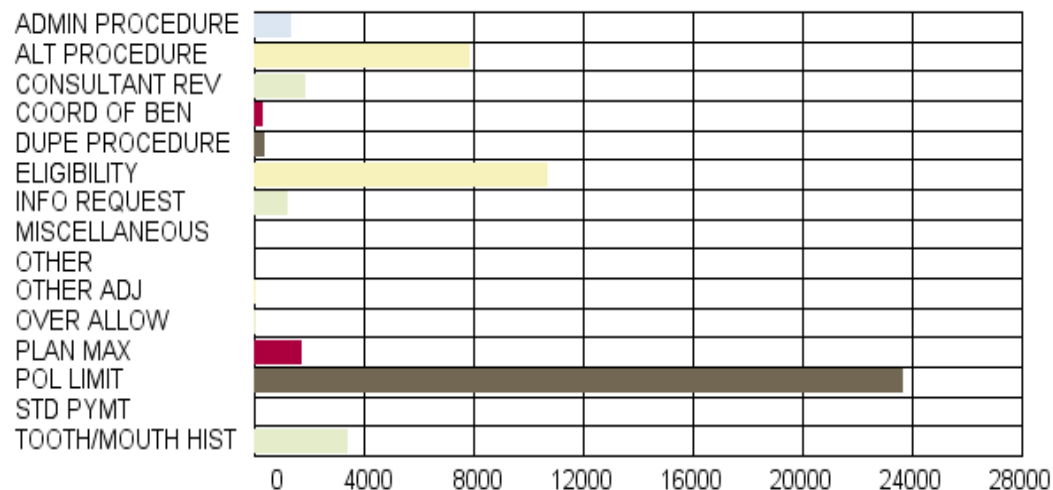
Claim Savings Categories - PPO



Policy #: 301248 07/01/2017 through 06/30/2018

Claim Savings Categories	Claim Savings	Claim Savings %
ADMINISTRATIVE PROCEDURE	\$1,367	2.6%
ALTERNATE PROCEDURE	\$7,917	14.9%
CONSULTANT REVIEW	\$1,911	3.6%
COORDINATION OF BENEFITS	\$305	.6%
DUPLICATE PROCEDURE	\$412	.8%
ELIGIBILITY	\$10,741	20.3%
INFORMATION REQUEST	\$1,249	2.4%
MISCELLANEOUS	\$0	.0%
OTHER	\$0	.0%
OTHER ADJUSTMENTS	\$92	.2%
OVER ALLOWANCE	\$90	.2%
PLAN MAXIMUM	\$1,772	3.3%
POLICY LIMITATION	\$23,683	44.7%
STANDARD PAYMENT	\$0	.0%
TOOTH/MOUTH HISTORY	\$3,420	6.5%
TOTAL	\$52,959	100.0%

Claim Savings by Category



# LAKE HAVASU UNIFIED SCHOOL DISTRICT

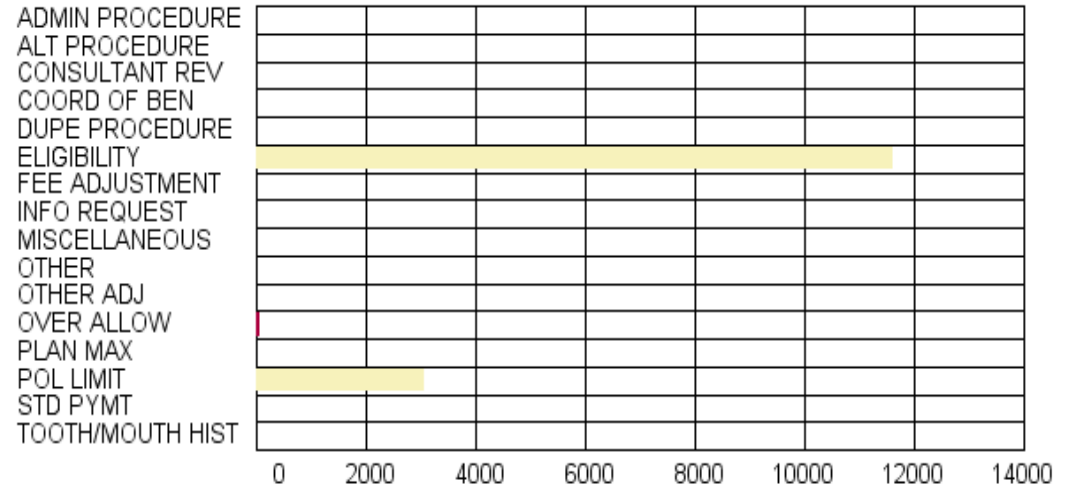
Claim Savings Categories - Non-PPO



Policy #: 301248 07/01/2017 through 06/30/2018

Claim Savings Categories	Claim Savings	Claim Savings %
ADMINISTRATIVE PROCEDURE	\$15	.1%
ALTERNATE PROCEDURE	\$0	.0%
CONSULTANT REVIEW	\$0	.0%
COORDINATION OF BENEFITS	\$0	.0%
DUPLICATE PROCEDURE	\$0	.0%
ELIGIBILITY	\$11,633	78.6%
FEE ADJUSTMENT	\$0	.0%
INFORMATION REQUEST	\$0	.0%
MISCELLANEOUS	\$0	.0%
OTHER	\$0	.0%
OTHER ADJUSTMENTS	\$0	.0%
OVER ALLOWANCE	\$75	.5%
PLAN MAXIMUM	\$0	.0%
POLICY LIMITATION	\$3,071	20.8%
STANDARD PAYMENT	\$0	.0%
TOOTH/MOUTH HISTORY	\$0	.0%
TOTAL	\$14,794	100.0%

Claim Savings by Category



# LAKE HAVASU UNIFIED SCHOOL DISTRICT

PPO Savings Illustration



Policy #: 301248 07/01/2017 through 06/30/2018

	<b><u>Submitted Claims</u></b>	<b><u>PPO Savings</u></b>	<b><u>Percentage of Total PPO Savings</u></b>
<b>Actual Submitted Claims</b>	\$410,545	\$100,716	24.5%
<b>50th Percentile U &amp; C</b>	\$402,613	\$92,785	23.0%
<b>90th Percentile U &amp; C</b>	\$483,784	\$173,955	36.0%

\*PPO Savings is the difference between a provider's usual charge and the lesser charge a provider agrees to when becoming an Ameritas/First Ameritas PPO provider. Many providers submit claims using PPO charges rather than usual charges, causing actual PPO savings to be understated. To illustrate more accurate savings, Ameritas/First Ameritas has calculated savings based on the 50th and 90th percentile usual and customary charges in an area.

# LAKE HAVASU UNIFIED SCHOOL DISTRICT

Monthly Experience Summary



Policy #: 301248 07/01/2017 through 06/30/2018

LOB	Month	Fees	Paid Claims \$	Paid L/R	EE Lives	Dep Units
DEN	Jun 2018	\$1,638	\$10,192	622%	505	0
DEN	May 2018	\$1,674	\$14,472	865%	509	0
DEN	Apr 2018	\$1,622	\$18,948	1168%	503	0
DEN	Mar 2018	\$1,641	\$20,085	1224%	505	0
DEN	Feb 2018	\$1,625	\$11,084	682%	506	0
DEN	Jan 2018	\$1,684	\$21,683	1288%	514	0
DEN	Dec 2017	\$1,671	\$18,852	1128%	513	0
DEN	Nov 2017	\$1,651	\$11,832	717%	512	0
DEN	Oct 2017	\$1,684	\$14,469	859%	513	0
DEN	Sep 2017	\$1,619	\$11,050	683%	505	0
DEN	Aug 2017	\$1,532	\$15,865	1036%	470	0
DEN	Jul 2017	\$1,479	\$23,457	1586%	480	0
TOTAL		\$19,517	\$191,987		6,035	0

Paid Claims : \$191,987 Change in Reserves: \$0 = Incurred Claims: \$191,987

\*\* Incurred Claims = Paid Claims + Change in Reserves

HOME OFFICE USE ONLY

AMERITAS LIFE INSURANCE CORP.  
LAKE HAVASU UNIFIED SCHOOL DISTRICT  
Policy: 301248 Division: All  
Run Date: 07/01/2017 - 06/30/2018

Provider Name	Provider City	PPO Claim	Total Dollars Paid
1 CARVER,JEFFERY ALAN	LK HAVASU CTY	Y	28,675.64
2 SORKIN,EDOUARD	LK HAVASU CTY	Y	20,383.00
3 CURRIVAN,ROBERT	LK HAVASU CTY	Y	16,984.80
4 LUNDIN,LARRY C	LK HAVASU CTY	Y	12,015.10
5 NELSON,DARRIN JOHN	LK HAVASU CTY	Y	10,239.20
6 YOLE,JASON J	LK HAVASU CTY	Y	9,429.85
7 KINZER,DEBORAH A	LK HAVASU CTY	Y	9,219.20
8 KAUSHESH,ASHUTOSH	LK HAVASU CTY	Y	8,192.40
9 AHN,EDWARD B	LK HAVASU CTY	Y	8,047.58
10 LAVENE,RYAN MATTHEW	LK HAVASU CTY	Y	7,504.40
11 TOMAS,IKE-ARTHUR WENCESLAO	LK HAVASU CTY	Y	7,502.52
12 MEAD,C REESE	LK HAVASU CTY	Y	6,014.40
13 LYSDALE,JEFFREY S	LK HAVASU CTY	Y	5,077.83
14 BARBER,ILLIAN NATHAN	LK HAVASU CTY	Y	4,372.00
15 COBURN,RICHARD RYAN	LK HAVASU CTY	Y	3,771.50
16 URQUHART,N NATHANIEL	LK HAVASU CTY	Y	3,230.57
17 THOMAS,MICHAEL E	BULLHEAD CITY	Y	2,660.50
18 SHAMOS,ILAN HIRAM	LK HAVASU CTY	Y	2,624.60
19 YETTER,NATHAN R	LK HAVASU CTY	Y	2,576.57
20 GONZALEZ,RUTH CHRISTINE	LK HAVASU CTY	Y	2,368.60
21 CHAPMAN,BRETT	LK HAVASU CTY	Y	2,313.20
22 PAK,MINYONG (JONATHAN)	LK HAVASU CTY	Y	2,297.00
23 RUIZ,CARLOS R	LK HAVASU CTY	Y	2,158.10
24 SCOTT,JAY D	LK HAVASU CTY	Y	1,881.90
25 BULLEN,RYAN N	LK HAVASU CTY	Y	1,877.50
			181,417.96

CONFIDENTIALITY STATEMENT:

IMPORTANT: Be advised that this report and the information contained herein is of a confidential and in any way reproduced, whether in whole or in part, for any reason except as expressly permitted in writing



# **MEMORANDUM**

TO: **LHSEBT Trustees**

FROM: **ERIN P. COLLINS & ASSOCIATES, INC. (ECA)**  
Jaime Schulenberg, Sr. Account Manager

DATE: July 12, 2018

RE: Administrative Update

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## **Follow-Up From Previous Meetings**

According to my records, the following items are outstanding from prior meeting(s):

### *Over-the-Counter Medications Covered on CVS Formulary*

During the May 12, 2018 Trust meeting, one of the agenda items addressed some clarifications the Health & Wellness Clinic requested pertaining to coverage for over-the-counter (OTC) medications. Specifically they indicated that they only covered those OTC medications which were covered on the prescription formulary through NationalCooperative/CVS. Trustees requested that ECA research any OTC medications covered under that formulary and I learned that only those medications required under healthcare reform are included.

### *Employee Call to the Public*

Jeff Goss asked a number of questions during the Call to the Public during the May 11, 2018 meeting. Those questions and answers are as follows:

- 1) How were the rates developed?  
*Premium rates are developed by an independent actuary hired by the Trust who reviews specific LHSEBT claims in addition to national trend to come up with an estimate for how much money is necessary to pay claims. That figure is then added to the various administrative costs necessary to operate the Trust; those expenses include such items as reinsurance, medical and dental claims administration, Health & Wellness Clinic operation and maintenance, etc. The 2018-19 budget is a public document and I would be happy to review that in detail with Mr. Goss to explain further if necessary.*
- 2) How much from the override was deposited to the LHSEBT in the last two years?  
*This is a question the District will need to answer.*
- 3) Has the Board already approved the rates?

*The LHSEBT Trust Board approved the premium rates and benefit changes at the March 08, 2018 meeting.*

4) Can retirees be placed on an email list to receive LHSEBT meeting notices?

*I was told that this is not possible, however, again, this is a question District staff would have to answer since they are responsible for posting meeting notices, etc.*

*Health & Wellness Center Complaint*

An employee presented concerns regarding the Health & Wellness Center during an Executive Session on May 11, 2018. I discussed that concern with Cerner and they provided the following for your information:

- The medication prescribed is common for the diagnosis;
- There is no black box label warning for the medication in question;
- That their practice is to provide appropriate labels and information with every prescription that leaves the Clinic, however, noted it was possible that it had been missed;
- The patient returned to the Clinic for follow-up after the medication was prescribed and reported some visual problems, staff referred her to an ophthalmologist. No mention of any concerns with the medication.

Should the Board wish to investigate or discuss this matter further, please let me know and I will facilitate whatever additional information is requested.

In addition to the follow-up items noted above, please be advised that the Trust received an audit recovery for 2015 from National Cooperative in the amount of \$4,486.85.

If you have any questions between now and the date of the meeting, I can be reached at (928) 753-4700 ext. 302 or via email at [jaimes@ecollinsandassociates.com](mailto:jaimes@ecollinsandassociates.com).

# **MEMORANDUM**

TO: **LHSEBT Trustees**

FROM: **ERIN P. COLLINS & ASSOCIATES, INC. (ECA)**  
Jaime Schulenberg, Sr. Account Manager

DATE: July 12, 2018

RE: Election of Officers

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Section 5.12 of the Trust Document (attached) provides for the election of officers, including Chairperson and Vice Chairperson. In addition, the Chairperson shall appoint a Recording Secretary.

Since the former Chairperson is no longer serving on the Board, Trustees are tasked with electing a new slate of officers during this meeting. Once a Chairperson has been elected, s/he will appoint the Recording Secretary as noted above.

If you should have any questions between now and the date of the meeting, feel free to call or email me at (928) 753-4700 x302 or [jaimes@ecollinsandassociates.com](mailto:jaimes@ecollinsandassociates.com).

or expediency of any act of the Trustees. Every instrument executed by the Trustees, or by their direction, shall be conclusive in favor of every person who in good faith relies upon it, that: (a) at the time of the delivery of the instrument this Trust Agreement was in full force and effect; (b) the instrument was executed in accordance with the terms and conditions of this Agreement; and (c) the Trustees were duly authorized to execute the instrument or direct its execution.

#### 5.09 - Withdrawals

All checks, drafts, vouchers, or other withdrawals from the Fund or depositories for the transfer or liquidating of insurance policies or investments shall first be authorized by the Trustees and then signed by appropriate signators as determined by the Trust, except that checks for claims and monthly fee payments under the self-funded benefit provisions of this Trust may be signed by an authorized representative of the Third-Party Administrator responsible for administering the self-funded benefits.

#### 5.10 - Disputes

In the event there shall be any disagreement between the Trustees and the Third-Party Administrator over exercise of powers granted herein, the Trustees shall prevail, and the Third-Party Administrator shall have no liability to any person with respect to such act or omission in the event it shall give notice in writing of its dissent from such act to each Trustee and to the School District.

#### 5.11 - Employee Booklet

The benefits to be provided hereunder, whether by self-funding or insurance contract, shall be set forth in an Employee Booklet which explains eligibility rules for coverage for Employees and their eligible dependents.

#### 5.12 - Chairperson and Recording Secretary

The Trustees shall elect from among themselves a Chairperson and Vice Chairperson of the Trustees. The Chairperson shall preside at all meetings of the Trustees and shall be empowered to perform ministerial duties of the Trustees and the Trustees may from time to time delegate to him/her. The Vice Chairperson shall perform the like in his/her absence. The Chairperson shall appoint a Recording Secretary, who shall keep minutes of all meetings, proceedings, and acts of the Trustees, which records shall be available for inspection during normal business hours at the Principal Office of the Trust. The Recording Secretary need not be a Trustee. In the event the Recording Secretary is not a Trustee, the Recording Secretary must sign a Business Associate Agreement.