

**LAKE HAVASU SCHOOLS EMPLOYEE BENEFIT TRUST**  
2200 Havasupai Blvd., Lake Havasu City, AZ 86403

**Trust Board Minutes**  
July 18, 2019

**REGULAR MEETING:**

1. Routine Opening of Meeting – Call to Order

The Regular Meeting of the Board of Trustees of the Lake Havasu Schools Employee Benefit Trust was called to order by Trust Chairperson, Marcia Cox, in the District Boardroom, 2200 Havasupai Blvd., Lake Havasu City, Arizona at 5:01 p.m. on July 18, 2019.

1.1 Roll Call

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

BOARD MEMBERS ABSENT:            Dr. Fadi Atassi, Trustee  
   Julie Sasseen, Trustee

GOVERNING BOARD MEMBERS        N/A  
PRESENT:

ADMINISTRATION PRESENT:         N/A

OTHERS:  
   Erin Collins, ECA – Broker/Consultant  
   Storm Kinion, ECA – Broker/Consultant  
   5 Others

1.2 Pledge of Allegiance/Moment of Silence

1.3 Call for an Executive Session  
      N/A

2. Call to the Public

- Kathryn Hubert is concerned that there are limited codes and they all fall under the Psychotherapy which requires meeting your deductible and paying a copay.
- Kathryn Hubert would like to know if the Employee Assistance Program is going to be reinstated. She would like them to be reconsidered.

3. Old Business

### 3.1 Update on the Clinic Closure

Mr. Collins reported on the matter of the final disposition of equipment. ECA will work with Trustee Sasseen, before the next Trust meeting, to obtain an idea of reasonable prices to sell the remaining items from the Clinic. Chairperson Cox advised that she has a list of everything gifted to the District along with the list Ms. Schulenberg provided of items she had inventoried. She also stated she wanted the sale to be held later in the year, possibly during October. Prior to the sale, Chairperson Cox would like the sale marketed on the website as well as Trustee Sasseen sending to providers.

## 4. New Business

Trustee Barney made a motion to review new business, seconded by Vice Chairperson Christiansen and unanimously approved.

### 4.1 Update on 2019-20 Open Enrollment and Renewal

Mr. Collins reported Open Enrollment was held from April 22 through May 10, 2019. A total of 13 employees enrolled in the High Deductible Health Plan (HDHP). There were some issues with the transfer of files with the District's new software that is being worked through. The Summary of Benefits and Coverage (SBC's) have gone out and the Summary Plan Descriptions have been loaded to the website.

A retiree emailed the District wanting to know why the retiree rates increased by 20%. Mr. Collins reported that ECA has been unable to determine the rate amount the member quoted however, they are still looking into the matter. Mr. Collins did point out that even though there was an increase in premiums there was also an increase in benefits and a decrease in the out of pocket maximum. Chairperson Cox requested the retiree rates be posted to the website as well.

Mr. Collins further reported the stop loss renewal was finalized and the budget was updated to properly reflect the premiums. The budgeted amount of \$8.52/PEPM (per employee per month) for Clinic Operations was zeroed out and moved to the reinsurance line and the remainder of the funds needed were taken from the claims fund in the amount of \$231,000. Teladoc was updated to reflect that members in the HDHP have a lower PEPM expense to the Trust.

In conclusion, Mr. Collins reported there was a very small change to the Trustee's Fiduciary Liability Insurance due to a slight increase in premium from \$3,848 to \$3,998. Chairperson Cox inquired if a third laser was required for stop loss renewal. Mr. Collins confirmed there was a third laser added advising there would be additional information on the stop loss recovery when Ms. Kinion reviewed the financials. Mr. Collins also reported that the laser amounts are given to the Actuary; he builds the assumption of full payments into the rate renewal.

### 4.2 Approval of Meeting Minutes: March 20 and June 03, 2019.

Vice Chairperson Christiansen moved to approve the meeting minutes for March 20 and June 03, 2019 as presented, seconded by Trustee Barney and unanimously approved.

#### 4.3 Review of Financial Report for February – May 2019.

Ms. Kinion reviewed the financial report for the month ending May 31, 2019. Ms. Kinion reported overall revenue was at \$631,256 with expenses at \$388,644. The YTD cash position is \$210,844 with an IBNP of (\$1,451,836), making the All Years Surplus \$2.3M. The plan received a stop loss reimbursement totaling \$75,265 and an Rx rebate totaling \$50,313, both of which contributed to the month's positive financial position.

Gold Plan medical claims are running at 120% due to 2 new large claims totaling \$148,074. The Gold Rx claims are running at 122% due to specialty medications and high utilization. Silver Rx is over budget due to under budgeting.

The Trust has 14 large claims that exceed 50% of the specific deductible of \$130,000 totaling \$2,789,066. The claims have exceeded the specific deductible by \$1,328,959 of which only \$912,347 is reimbursable due to two claimants having lasers. To date \$443,561 has been received and Gilsbar is in the process of seeking the remaining \$468,000. Chairperson Cox requested confirmation that there was approximately \$416,000 that would not be reimbursed due to lasers which was confirmed by Ms. Kinion. She also inquired as to how long it takes to receive the stop loss reimbursements; Mr. Collins reported it can vary but normally 90 – 120 days.

Trustee Barney moved to approve the February – May 2019 Financial Reports, seconded by Vice Chairperson Christiansen, and unanimously approved.

#### 4.3 Updates and Announcements

Mr. Collins provided a follow-up to the Gilsbar Eligibility Feed Error for retirees on the Silver plan. ECA discovered the error and after negotiating with Gilsbar they agreed to pay the Trust the total amount underpaid in the amount of \$8,060, which was deposited in June. As a result of the file feed error it was discovered that 2 retirees had been enrolled in the wrong plans dating back to July 01, 2018. During this time it was determined the District is not auditing those bills or those errors would have been found sooner. ECA will address the situation with Mr. Murray when he returns. Mr. Collins explained there are a variety of audit types that can be performed. Trustee Barney asked if the audits would be for retirees only; Mr. Collins explained it should be done on the actives.

Mr. Collins advised the Board that he has the Account Manager for Claremont Capital available to be called if anyone has questions regarding the annual compliance documents as required by the SEC. Chairperson Cox advised that she had read the document and didn't see any differences in it in comparison to other documents she has read. The Board did not have any questions.

Mr. Collins further reported that Lake Havasu Family Eyecare has reached an agreement with UHC. Mr. Collins expressed appreciation to Vice Chairperson Christiansen for his role in facilitating the communication between UHC and Lake Havasu Family Eyecare.

Vice Chairperson Christiansen advised that he was not at the last school board meeting, but he did put on his application for the Board that he would only be doing it for one more year and wanted to ensure it was publicly known that he would be stepping down June 2020.

5. Adjournment

Vice Chairperson Christiansen moved to adjourn at 5:31 p.m., seconded by Trustee Barney and unanimously carried.

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

---

Minutes of the Special Trust Board Meeting of July 18, 2019 are approved as submitted.



Marcia Cox, Chairperson



Hal Christiansen, Vice Chairperson