



LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST

NOTICE OF PUBLIC MEETING

Thursday, April 16, 2020 5:00 p.m.
WebEx Meeting - www.webex.com (Click "Join")
Enter Meeting Number 264 619 344
Join by Phone at 844.992.4726 (Same Meeting Number)

MEMBERS OF THE LAKE HAVASU UNIFIED SCHOOL DISTRICT EMPLOYEE BENEFIT TRUST BOARD OF TRUSTEES WILL ATTEND VIRTUALLY OR BY CONFERENCE CALL.

AGENDA

REGULAR MEETING SESSION:

5:00 p.m.

1. Routine Opening of Meeting - Call to Order

Chairperson

1.1 Roll Call

1.2 Call for an Executive Session

(If the situation warrants, an Executive Session may be held during the meeting, pursuant to A.R.S. §38.431.03 (A)(2) for "Discussion or consideration of records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law" or (A)(3) for "Discussion or consultation for legal advice with the attorney or attorneys of the public body.")

2. Call to the Public

Chairperson

*(Form BEDH-E is required to address the Board during Call to the Public. Form must be turned in to the Secretary before the meeting starts. At this time, the Chairperson will call for comments from members of the public on items not on the agenda. Because of the restrictions imposed by A.R.S. §38.431.01, discussion and action on items brought before the Board during this time will be limited to directing staff to study the matter or rescheduling the matter for further consideration and decision at a later date. The Trustees reserve the right, as authorized by open meeting laws, to limit the length of comments and to also limit the number of speakers if the speakers are merely going to repeat the comment already made by multiple other members of the public. **There will be a two (2) minute time limit per speaker.***

3. Old Business

3.1 Approval of February 05 Work Session and February 06, 2020 Regular Meeting Minutes

Chairperson

4. New Business

4.1 Approval of January and February 2020 Financials

Chairperson

4.2 Ratification of HDHP Teladoc Consultation Fees and Update on COVID-19

Chairperson

4.3 Discussion re LHSEBT Wind Down

ECA

4.4 Updates & Announcements

ECA

5. Adjournment

Chairperson

**NEXT SCHEDULED MEETING OF
THE LHSEBT TRUST BOARD**

07/16/20 @ 5:00pm

LAKE HAVASU SCHOOLS EMPLOYEE BENEFIT TRUST

2200 Havasupai Blvd., Lake Havasu City, AZ 86403

Trust Board Minutes

February 05, 2020

WORK SESSION:

1. Routine Opening of Meeting – Call to Order

The Work Session 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 9:01 a.m. on February 05, 2020.

1.1 Roll Call

BOARD MEMBERS PRESENT: Marcia Cox, Chairperson
Hal Christiansen, Vice Chairperson
Amy Barney, Trustee
Julie Sasseen, Trustee (Arrived at 11:07 a.m.)

BOARD MEMBERS ABSENT: Dr. Fadi Atassi, Trustee

GOVERNING BOARD MEMBERS PRESENT: Nichole Cohen, Member
John Masden, Member
Lisa Roman, President

ADMINISTRATION PRESENT: Bonnie Breazeal, Payroll and Workman's Comp
Naomi Morgan, Administrative Assistant
Kelly Morrison, Accounting
Mike Murray, Director of Business Services
Kari Schusler, Accounting
Cheri Tropple, Payroll and Medical Benefits

OTHERS: Mike Bonney, GDK
Rich Hanna, Ameritas
Jeff Jennings, AHG
Storm Kinion, ECA
Dominic Luna, Teladoc
Rachele Martin, BCBSAZ
Jayme Merlino, ECA
Sarah Perrin, Gilsbar
Chris Schanz, National Cooperative

Michael Schionning, Cheiron
Jaime Schulenberg, ECA
James Totten, UHC

1.2 Pledge of Allegiance/Moment of Silence

1.3 Call for an Executive Session - None

2. Call to the Public – None

3. Discussion re Language of Lake Havasu Unified School District #1 Employee Benefit Trust Document Section 4.02

Vice Chairperson Christiansen addressed language in Section 4.02 of the Trust Document which reads that a member of the Board “may” be a district employee. Vice Chairperson Christiansen stated it is his opinion that it is important that an employee sit on the Board and recommended that the language be changed to “shall.” Ms. Barney agreed, stating she believes it is important to have an employee on the board as it gives the employees representation and provides a level of trust. Chairperson Cox disagreed, stating the Board’s responsibility is that of a fiduciary. Chairperson Cox went on to state that the State law says “may” and that is where the original language was taken. There was further discussion by Mr. Masden regarding the law and how the Trust Board went through changes to ensure it was fiscally responsible including using language “may sit on the board.”

4. Vendor Presentations

4.1 Opening Remarks and Agenda Review

Ms. Schulenberg from ECA gave a brief overview of the agenda and goals for the meeting.

4.2 2019 Medical Claims Review

Sarah Perrin from Gilsbar provided a summary of the Trust’s medical claims including top major diagnostic categories, utilization, and customer contact statistics.

4.3 2019 Blue Cross Blue Shield AZ Review

Rachele Martin from Blue Cross Blue Shield of Arizona (BCBSAZ) provided information on the network of providers along with information regarding their resources and support. The executive summary included network savings and plan utilization. The summary included the renewal rates and guarantees for the next two years beginning July 1, 2020.

4.4 2019 Pre-Certification and Case Management Review

Jeff Jennings from American Health Group (AHG) provided an overview of Utilization and Case Management reporting for the plan year including customer experience, financial (cost savings), and clinical quality results.

10:35 a.m. — Break from Vendor Presentations

10:51 a.m. — Vendor Presentations Resumed

4.5 Rx Claims Review

Christopher Schanz from National Cooperative Rx provided an overview of the prescription claims for the current plan year which included an executive summary of savings, rebates, high dollar claims, and utilization. This included comparisons from Jan-Dec 2018 and Jan-Dec 2019 with the percent of change. Mr. Schanz also reviewed the top therapeutic class usages and costs associated with prescriptions in each class.

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4.6 2018 Dental Claims Review

Rich Hanna from Ameritas provided a detailed report on paid claims and cost per employee per year. Mr. Hanna provided further explanation by showing the paid claims detail by procedure and In Network vs Out of Network utilization. The report also illustrated the PPO savings, return on investment and top provider utilization.

4.7 2019 Vision Claims Review

James Totten from United Healthcare provided an overview of the United Healthcare network including customer care, lens options, and network impact. Mr. Totten also reviewed the plan benefits in detail including claims experience, utilization and top utilized providers.

4.8 2019 Teladoc Review

Dominic Luna from Teladoc provided a detailed report on Teladoc claims. Mr. Luna further reported on average response times, member usage, who received care and where they received care, time of day used, and top diagnosis. He also provided the standard renewal rates realizing a \$0.25 PEPM increase due to utilization. Mr. Luna also presented an alternative renewal option, HealthiestYou, which includes expanded coverage options, including behavioral health, dermatology, etc.

12:08 p.m. — Break from Vendor Presentation for Lunch

1:02 p.m. — Vendor Presentations Resumed

4.9 Financial Update

Mike Bonney from GDK, the Trust's CPA, presented a compilation financial statement which compared the periods ended December 31, 2019 versus December 31, 2018 as well as a six-month comparison between July – December 2018 and July – December 2019 to illustrate year over year results.

Storm Kinion with ECA reviewed the Trust's financial performance from January – June 2018, July - June 2018-19 and July – December 2019, noting the Trust's current financial position is due to large claims.

4.10 Actuarial Rate Methodology

Michael Schionning, LHSEBT's actuary from Cheiron, reviewed the rate development, proposed claim funding rates, proposed benefit changes, alternative claim funding rates, projection methodology and plan experience.

4.11 Presentation re Northern AZ Employee Benefit Trust

Ms. Schulenberg presented information regarding NAEBT, a local, multi-employer pool that has offered membership to LHUSD. She provided the history of NAEBT, an overview of their benefits, how they are governed and membership terms. She also reviewed proposed rates and a benefit comparison. Ms. Schulenberg reviewed what the next steps will be if the Governing Board votes to accept the membership offer.

2:30 p.m. — Break from Vendor Presentations

2:38 p.m. — Vendor Presentations Resumed

4.12 Budget Building re 2020-21 Benefits/Rates

Ms. Schulenberg reviewed the proposed 2020-2021 budget going over the recommended changes, budget assumptions, and vendor renewals.

5. Adjournment

Chairperson Cox adjourned the meeting at 3:30 p.m.

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

Minutes of the Trust Board Meeting of February 04, 2019 are approved as submitted.

Marcia Cox, Chairperson

Hal Christiansen, Vice Chairperson

LAKE HAVASU SCHOOLS EMPLOYEE BENEFIT TRUST

2200 Havasupai Blvd., Lake Havasu City, AZ 86403

Trust Board Minutes

February 06, 2020

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 4:02 p.m. on February 06, 2020.

1.1 Roll Call

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

BOARD MEMBERS ABSENT: N/A

GOVERNING BOARD MEMBERS PRESENT: Nichole Cohen
Lisa Roman
John Masden

ADMINISTRATION PRESENT: Mike Murray, Director of Business Services

OTHERS: Rich Hanna, Ameritas
Storm Kinion, ECA – Broker/Consultant
Jayme Merlino, ECA – Broker/Consultant
Kelly Schoonmaker, AmeriBen
Jaime Schulenberg, ECA – Broker/Consultant
7 Others

1.2 Pledge of Allegiance/Moment of Silence

1.3 Call for an Executive Session - None

2. Call to the Public – None

3. Old Business

3.1 Approval of October 17, 2019 Regular Meeting and January 15, 2020 Work Session Minutes

Vice Chairperson Christiansen moved to accept the minutes as presented, seconded by Trustee Sasseen and unanimously approved.

4. New Business

4.1 Approval of September – December 2019 Financials

Vice Chairperson Christiansen moved to accept the September – December 2019 Financials as presented, seconded by Trustee Atassi and unanimously approved.

4.2 Discussion and Possible Action re NAEBT (Northern Arizona Employee Benefit Trust)

Chairperson Cox moved to open for discussion, seconded by Vice Chairperson Christiansen and unanimously approved.

Chairperson Cox opened the discussion by asking if anyone had any questions about the presentation from the day before. She noted what cities comprise NAEBT, reiterated that LHUSD had been extended an offer to join NAEBT and explained why joining could be beneficial for both Trusts by increasing the overall number of lives, reducing risk, etc. She pointed out that both Trusts have a number of shared vendors, which would minimize member disruption, with NAEBT offering additional features including wellness and EAP. Chairperson Cox then asked Ms. Schulenberg to review the differences in copays, deductibles, premiums etc., which she did, including the fact that Mayo is not part of the NAEBT plan (except for transplants or emergencies). Ms. Schulenberg noted that NAEBT has Blue Card which allows members to use BCBS outside of Arizona, offering many more options to receive in-network care in Nevada and California as well as for families that may have children who reside out of state. Chairperson Cox discussed items that would need to be finalized to wind down the LHSEBT, which is anticipated to take approximately 12 -18 months. Vice Chairperson Christiansen also reported that the rates, whether they were with LHSEBT or NAEBT, would be effective July 01, 2020. There was additional discussion regarding the retiree rates and the separate rate structures. A member of the public inquired if NAEBT holds public meetings and if they are in Havasu; Ms. Schulenberg confirmed that meetings are public and that they rotate between the cities.

Rich Hanna from Ameritas spoke briefly about the dental benefits since they provide that coverage to NAEBT. He also briefly reviewed the vision benefit provided by VSP through Ameritas, explaining the plan benefits are very similar to LHSEBT's current plan.

Vice Chairperson Christiansen moved to close discussion re NAEBT, seconded by Trustee Sasseen.

Chairperson Cox moved to recommend the District join NAEBT and that the Trust be terminated and the wind down period follow Section 13.01 of the Trust Document, seconded by Trustee Atassi and unanimously approved.

4.3 Update re PBM Request for Proposal Process

Chairperson Cox moved to approve the update for PBM request for proposal, seconded by Vice Chairperson Christiansen and unanimously approved.

Ms. Schulenberg provided a brief recap on the RFP for Pharmacy Benefit Management (PBM) to determine if the expenses for pharmacy could be better managed by a different vendor. After reviewing all proposals, it was determined the current vendor came in at the lowest rates and the decision was made not to proceed further.

Action items 4.4 through 4.8 will be contingent on the District's decision regarding NAEBT.

4.4 Discussion and Possible Action re TPA Contract Award

Trustee Barney moved to discuss the TPA award, seconded by Vice Chairperson Christiansen and unanimously approved.

Ms. Schulenberg reviewed the RFP process for Third-Party Administrator (TPA), noting that following a comprehensive review of the responses, interviews were conducted with Gilsbar (incumbent), Summit and AmeriBen. Following the interviews, Ms. Schulenberg was directed to enter into best and final negotiations with AmeriBen, including conducting reference checks. The reference checks returned with very favorable reviews. Ms. Schulenberg recommended that Trustees award a contract for TPA services to AmeriBen effective July 01, 2020 if the District did not vote to joint NAEBT. Vice Chairperson Christiansen asked if AmeriBen was also the TPA for NAEBT, which Ms. Schulenberg confirmed. There was further discussion about items the board found impressive regarding AmeriBen. Ms. Schulenberg notified Trustees that Anthem had purchased AmeriBen effective March 01, 2020; she stated that AmeriBen was assured by Anthem that they would remain an independent subsidiary and would continue operations as normal. She invited Kelly Schoonmaker of AmeriBen to speak to that matter, who provided insight into the sale (including ending the ESOP) and reported that Anthem had made it clear to AmeriBen that they would remain the same, including their culture, software, training, employees, etc.

Vice Chairperson Christiansen moved to close discussion and award AmeriBen the contract as the TPA contingent upon LHUSD not joining NAEBT, seconded by Trustee Barney and unanimously approved.

4.5 Discussion and Possible Action re Wellness Proposal

Vice Chairperson Christiansen moved to discuss possible action re the Wellness Proposal, seconded by Trustee Barney and unanimously approved.

Ms. Schulenberg advised Trustees that ECA had been asked to provide a proposal to provide wellness consulting services to LHSEBT. She provided history on ECA's wellness practice and turned the presentation over to Jayme Merlino, one of ECA's Worksite Wellness Consultants who would be assigned to the LHSEBT account if awarded a contract. Ms. Merlino presented the wellness proposal to the Trust, including a recommendation to develop a multi-year approach, establish goals and set up a comprehensive program to address identified needs of the membership. She discussed setting up internal support as well as branding and provided some details in terms of recommended on-site screening programs, etc. In conclusion she explained that as the program grows it works to target moderate- and high-risk members with pre- and chronic disease programs, fitness challenges etc.

Ms. Schulenberg advised the board that ECA schedules and contracts the vendors, facilitates billing etc. and reminded the board that the rate for the wellness program, including consulting and programming, was already built into the budget.

Vice Chairperson Christiansen moved to close discussion and award ECA the wellness program contract contingent upon LHUSD not joining NAEBT, seconded by Trustee Atassi and unanimously approved.

4.6 Discussion and Possible Action re Employee Assistance Program

Vice Chairperson Christiansen moved to discuss possible action re the EAP Proposal, seconded by Trustee Sasseen and unanimously approved.

Ms. Schulenberg reported that the Trust had also requested that ECA obtain quotes for an Employee Assistance Program. ECA sent out requests to five firms; each vendor provided responses to the request and all vendors have the knowledge and experience to provide services to the District. Ms. Schulenberg reviewed the various quotes but noted that due to the Trust facing a significant increase in premiums, it would be her recommendation not to entertain an EAP for 2020-21. There was some additional discussion regarding mental health visits and Kathryn Hubert spoke, indicating she believed that the EAP wasn't heavily publicized which caused the low participation. She also noted that there was a stigma in prior years that is not the same today.

Vice Chairperson Christiansen moved to close discussion and not implement an EAP program to the existing Trust, seconded by Trustee Atassi and unanimously approved.

4.7 Discussion and Possible Action re 2020-21 Benefits and Rates

Vice Chairperson Christiansen moved to open discussion re the budget and rates, seconded by Trustee Sasseen and unanimously approved.

Ms. Schulenberg reviewed the specific benefits and rates presented during the Work Session on February 05, 2020. Vice Chairperson Christiansen provided a recap of the Work Session and the variety of benefit options reviewed to provide a comprehensive benefit plan with the most savings. He explained that the changes and increases being discussed were a result of the changes made during that meeting and reflect the best options.

Vice Chairperson Christiansen moved to close discussion and approve the budget and rates as presented, contingent upon LHUSD not joining NAEBT, including adding the pharmacy immunization program, seconded by Trustee Sasseen and unanimously approved.

4.8 Discussion and Possible Action re 2020-21 Existing Vendor Contract Renewals

Trustee Barney moved to open discussion re approval of existing vendor contracts, seconded by Trustee Sasseen and unanimously approved.

Ms. Schulenberg provided an overview of the administrative contracts that are up for renewal effective July 01, 2020, including:

- Reinsurance – ECA will begin marketing in April of 2020;
- Ameritas – offered a rate pass;
- GDK – offered a rate pass;
- Guardian – offered a rate pass;
- UHC – requested a rate increase of 8%; and
- Teladoc – requested a rate increase of \$.25/PEPM (due to high utilization).

Ms. Schulenberg recommended approval of the renewals as presented. Chairperson Cox requested a reminder be sent to Mr. Bonney to change his reporting to an accrual basis.

Trustee Barney moved to close discussion and approve the administrative contracts as presented, contingent upon LHUSD not joining NAEBT, seconded by Trustee Sasseen and unanimously approved.

4.9 Updates and Announcements

Chairperson Cox reported that Vice Chairperson Christiansen will not be seeking re-election to the Board once his appointment expires on 06/30/20, leaving two positions to be filled effective July 01, 2020.

Next Meeting:

April 16, 2020

Adjournment at 6:00 p.m.

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

Minutes of the Trust Board Meeting of February 06, 2020 are approved as submitted.

Marcia Cox, Chairperson

Hal Christiansen, Vice Chairperson

MEMORANDUM

TO: **LHSEBT TRUSTEES**

FROM: **ECA Inc.**
Storm Kinion, Group Benefits Specialist

DATE: April 8, 2020

RE: Financial Summary for February 2020

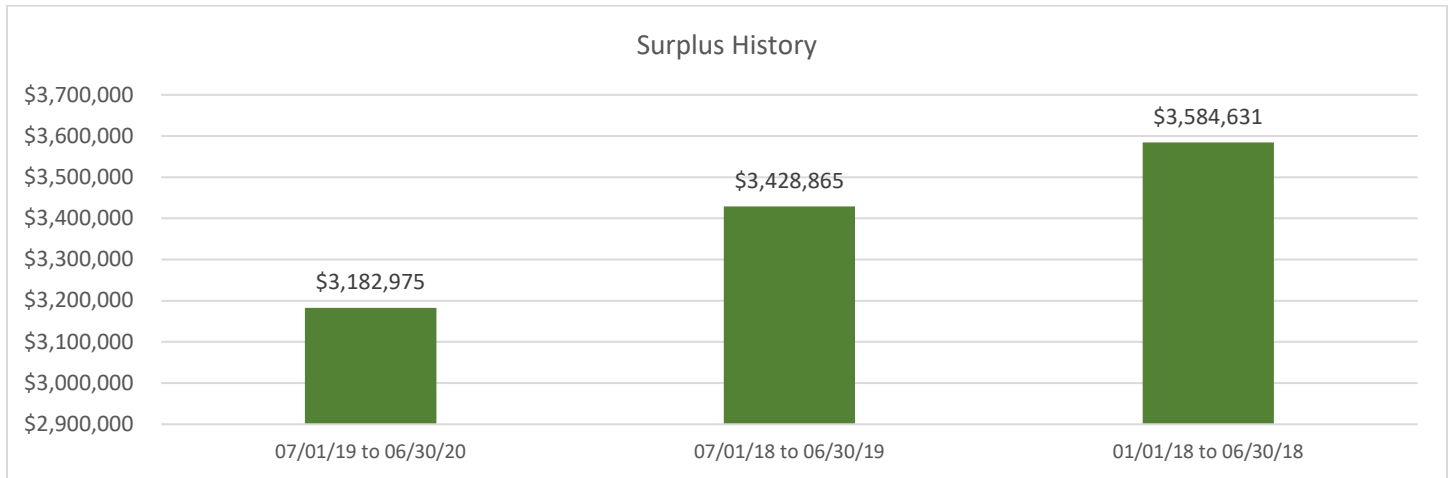
Attached please find the LHSEBT financial report for the month ending February 29, 2020 for your review and information.

Below is a summary for your quick reference and information.

	February
REVENUE	\$298,603
EXPENSES	
- Claims	\$498,964
- Premiums	\$85,775
- Claims Administration	\$21,208
- General Operating	\$9,724
Expense Total:	\$615,671
Monthly Financial Position	(\$317,067)
YTD Cash Position	(\$811,806)
All Years Cash Position	\$3,886,168
Estimated IBNP Liability	(\$703,193)
All Years Surplus/Deficit Position	\$3,182,975

LHSEBT Fiscal Year Surplus History:

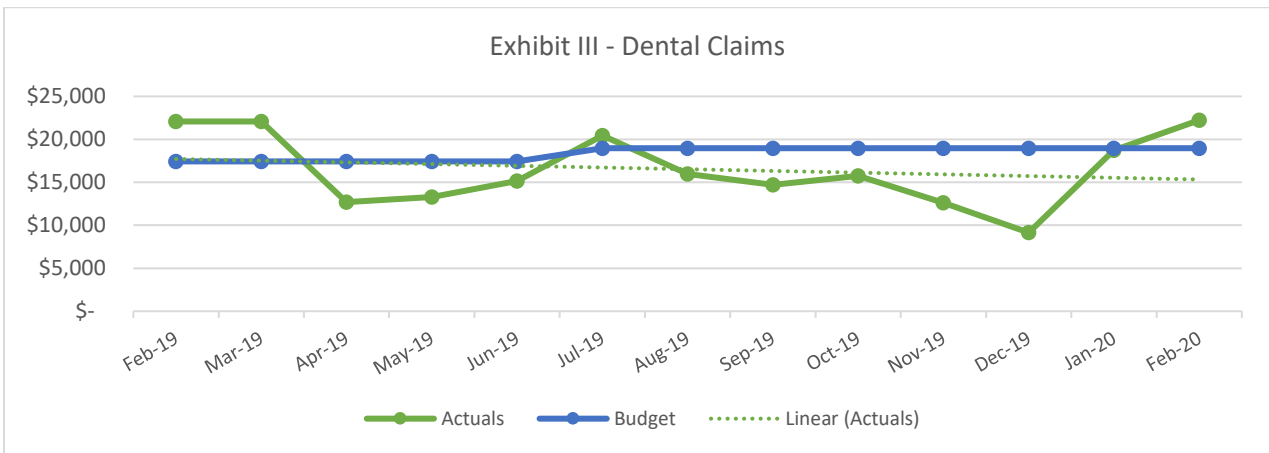
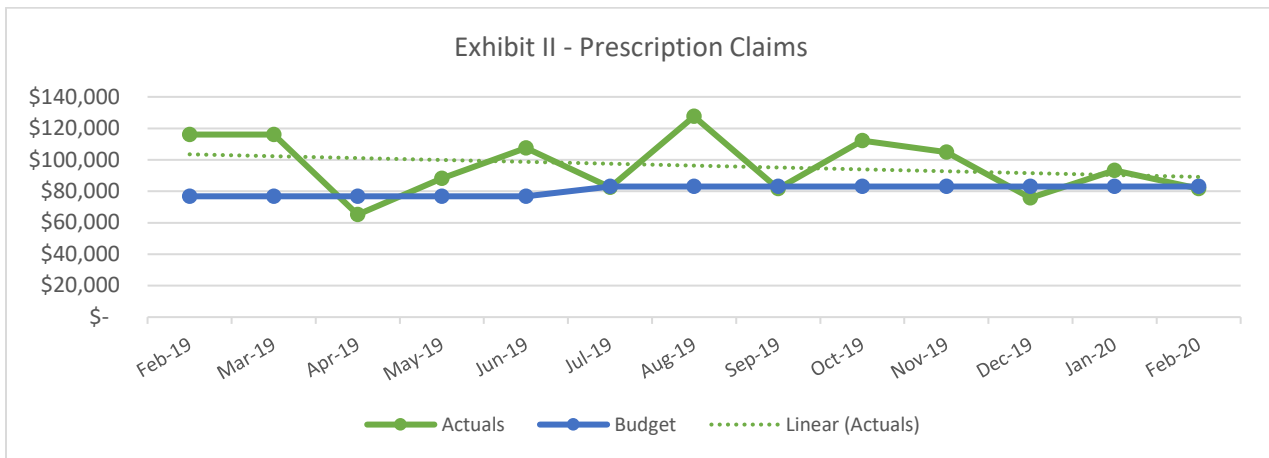
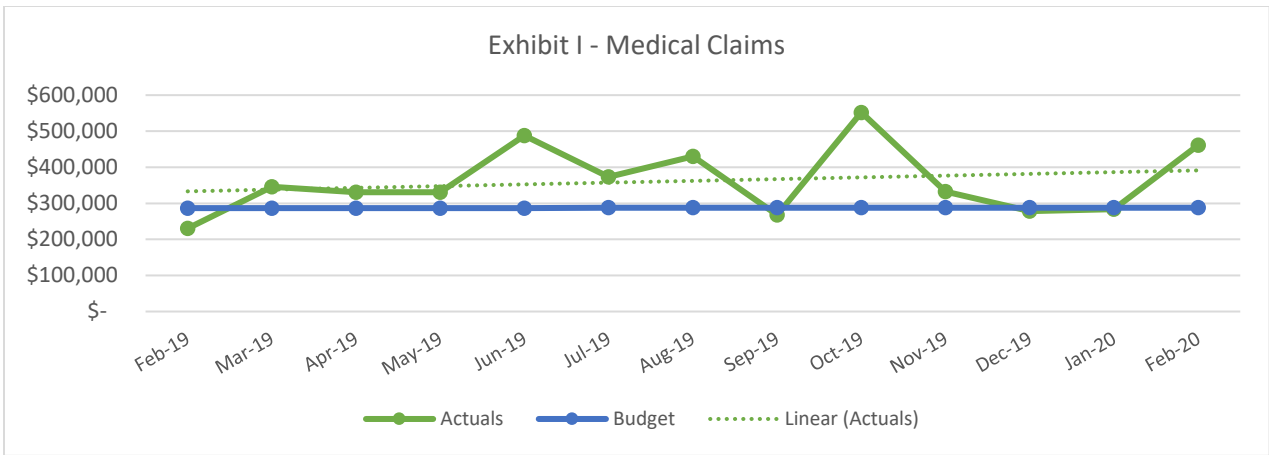
LHSEBT's All Year's Cash Position as of February 29, 2020 was \$3,886,168. Taking into account the Trust's estimated Incurred But Not Paid (IBNP) liability of **(\$703,193)**, LHSEBT is reporting an estimated surplus position of \$3,182,975.



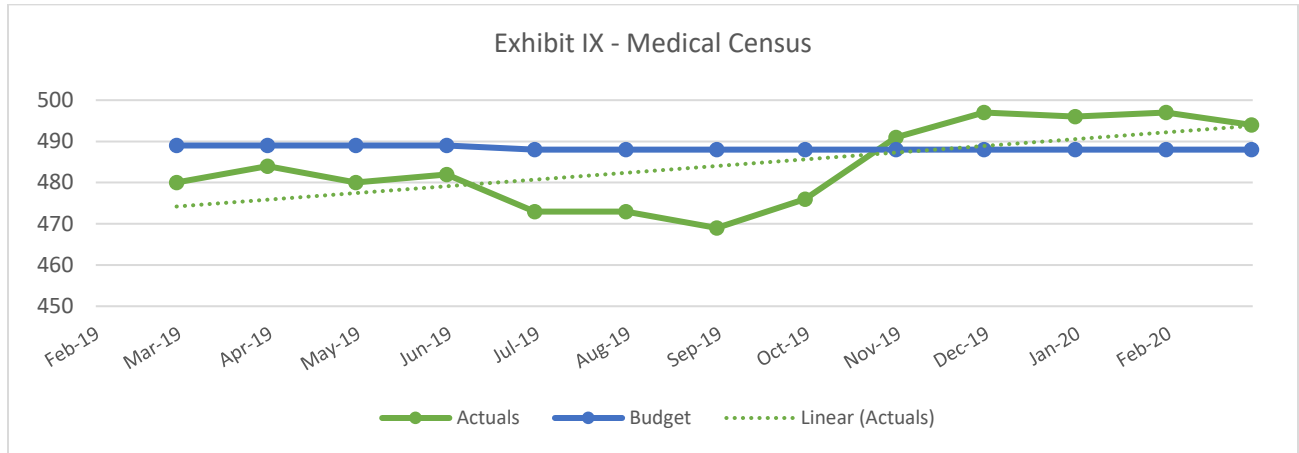
With regards to the February 2020 financial report, the following items merit your attention:

1. Gross Revenue came in at 59% for the month and 91% for the year.
 - a. Gross Revenue is running under budget due to only one deposit being made in February.
2. Claim Funds include Medical, Rx and Dental claims, less any stop loss reimbursements and Rx rebates. This line item is running at 128% for the month and 116% for the year. More specifically, claims are running as follows (See Exhibits I, II and III below):
 - a. Gold Plan Medical claims at 163% and 133% for the month and year respectively;
 - i. Gold Plan Medical claims are running over budget for the month and year due to ongoing large claims including two new large claims totaling \$193,136 in February.
 - b. High Deductible Health Plan (HDHP) claims are running well under budget at 47% for the month and 16% for the year;
 - c. Gold Plan Rx claims are at 101% for the month and 113% for the year;
 - i. Gold Plan Rx claims are running over budget for the year due to specialty medication fills and high utilization.
 - d. HDHP Plan Rx claims came in under budget at 3% for the month and 152% for the year;
 - i. HDHP Rx claims continue to run over budget for the year due to 1 specialty medication fill. The member met their deductible and the plan paid the balance at 100%; and
 - e. Dental claims are over budget at 117% for the month and under budget at 85% for the year.
 - i. Dental claims are over budget due to high utilization.

The Trust received a Stop Loss Reimbursement totaling \$66,565.



3. The census is running over budget which causes those expenses paid on a Per Employee Per Month (PEPM) basis (i.e. FSA, Rx Admin etc.) to run over budget.



4. Premiums are running at 108% for the month and 107% for the year. Please note the following:
 - a. Year to date, premiums for Basic Life, VTL and STD are running over budget at 111%, 162% and 118% respectively due to higher enrollment than budgeted.
 - b. As noted above, expenses paid on a PEPM basis are over budget due to the census.
5. Claim Administration is under budget for the month at 96% and 95% for the year. Please note:
 - a. FSA Admin is running over budget at 200% for the month and 192% for the year due to enrollment.
6. General Operating is running under budget at 53% for the month and 52% for the year.
 - a. Legal is running over budget at 293% for the month due to services rendered regarding renewal and NAEBT membership, but is under budget for the year at 69%.
 - b. General Admin is running at 559% for the month and 1130% for the year due in part to ECA having to redirect funds originally budgeted in this line to other expenses within the budget (% of Savings under Claim Administration). This line will remain over budget for the year, but we do not anticipate that it will cause the overall expenses to exceed projections.
7. The Trust has 10 large claims that exceed 50% of the specific deductible (\$85,000) as of February 29, 2020. The cases total \$1,977,488; 3 claims have exceeded the specific deductible and lasered deductible by \$201,020, of which \$113,778 has been reimbursed. Gilsbar is in the process of seeking reimbursement for the remaining \$87,242. There are two additional large claims that have exceeded the specific deductible however, they are not eligible for reimbursement due to lasers. The Trust has received all eligible stop loss reimbursements from prior plan years.

ECA will continue to monitor the large cases and keep the Board apprised.

Please note that figures used in this overview have been taken from the financial reports attached. The numbers are rounded, and therefore may not calculate to the penny.

If you have any questions on anything included here, please don't hesitate to contact me. I can be reached at your convenience at 928.753.4700 x305 or via email at stormk@ecollinsandassociates.com.

c: Michael Murray, Director of Business Services

LHSEBT - Lake Havasu Schools Employee Benefit Trust

2019-20

Feb-20

	Annual Budget	MTD Budget	MTD Actual	YTD Budget	YTD Actual	% Total MTD	% Total YTD
GROSS REVENUE	\$6,115,382	\$509,615.13	\$298,603	\$4,076,921	\$3,720,779	58.59%	91.26%
Contributions	\$5,936,321	\$494,693	\$285,468	\$3,957,547	\$3,618,429	57.71%	91.43%
Interest & Investment Income	\$63,135	\$5,261	\$5,857	\$42,090	\$38,456	111.33%	91.37%
COBRA/ASRS	\$115,926	\$9,660	\$7,278	\$77,284	\$63,894	75.34%	82.67%
CLAIM FUNDS	\$4,677,036	\$389,753	\$498,964	\$3,118,024	\$3,608,167	128.02%	115.72%
Medical (Gold)	\$3,365,748	\$280,479	\$458,137	\$2,243,832	\$2,990,439	163.34%	133.27%
Medical (HDHP)	\$87,612	\$7,301	\$3,456	\$58,408	\$9,104	47.34%	15.59%
Medical (Silver)	\$0	\$0	\$0	\$0	\$19,759		
Stop Loss Reimbursement		\$0	(\$66,565)	\$0	(\$113,778)		
Rx (Gold)	\$970,743	\$80,895	\$81,629	\$647,162	\$733,549	100.91%	113.35%
Rx (HDHP)	\$25,269	\$2,106	\$73	\$16,846	\$25,669	3.47%	152.37%
Rx (Silver)	\$0	\$0	\$0	\$0	\$347		
Rx Rebates		\$0	\$0	\$0	(\$186,555)		
Dental	\$227,664	\$18,972	\$22,234	\$151,776	\$129,634	117.20%	85.41%
PREMIUMS	\$950,695	\$79,225	\$85,775	\$633,797	\$678,775	108.27%	107.10%
Specific Stop Loss (American Fidelity)	\$761,433	\$63,453	\$66,075	\$507,622	\$524,832	104.13%	103.39%
Aggregate Stop Loss (American Fidelity)	\$20,748	\$1,729	\$1,719	\$13,832	\$13,584	99.39%	98.21%
Basic Life Insurance (Guardian)	\$35,719	\$2,977	\$3,318	\$23,813	\$26,453	111.47%	111.09%
VTL (Guardian)	\$59,261	\$4,938	\$7,992	\$39,508	\$63,152	161.84%	159.85%
STD (Guardian)	\$30,524	\$2,544	\$3,013	\$20,349	\$21,822	118.44%	107.24%
Vision (United Health Care)	\$43,009	\$3,584	\$3,658	\$28,673	\$28,931	102.06%	100.90%
CLAIM ADMINISTRATION	\$265,588	\$22,132	\$21,208	\$177,059	\$168,732	95.82%	95.30%
Medical Admin (Gilsbar)	\$106,111	\$8,843	\$8,789	\$70,741	\$69,380	99.39%	98.08%
Cobra Admin (Gilsbar)	\$9,485	\$790	\$786	\$6,323	\$6,202	99.39%	98.08%
% of Savings	\$9,011	\$751	\$0	\$6,007	\$996		
Dental Admin (Ameritas)	\$19,812	\$1,651	\$1,632	\$13,208	\$12,951	98.82%	98.06%
FSA Admin (Gilsbar)	\$594	\$50	\$99	\$396	\$761	200.00%	192.05%
HSA Admin (Gilsbar)	\$0	\$0	\$20	\$0	\$152		
Utilization Review (AHG)	\$11,856	\$988	\$982	\$7,904	\$7,752	99.39%	98.08%
Case Management (AHG)	\$8,299	\$692	\$525	\$5,533	\$4,830	75.91%	87.30%
Medical Network (BCBSAZ)	\$93,366	\$7,781	\$7,781	\$62,244	\$60,990	100.00%	97.99%
Rx Integration (Gilsbar)	\$5,039	\$420	\$417	\$3,359	\$3,319	99.39%	98.81%
Rx Admin (CVS Caremark/WI Rx)	\$2,016	\$168	\$178	\$1,344	\$1,399	106.22%	104.09%
GENERAL OPERATING	\$222,063	\$18,505	\$9,724	\$148,042	\$76,912	52.54%	51.95%
Benefit Administrator (ECA)	\$75,760	\$6,313	\$6,000	\$50,507	\$48,000	95.04%	95.04%
Wellness Administrator (ECA)	\$32,604	\$2,717	\$0	\$21,736	\$0	0.00%	0.00%
Wellness Programs	\$50,507	\$4,209	\$0	\$33,671	\$0	0.00%	0.00%
Clinic Operating Expenses	\$0	\$0	\$0	\$0	\$0		
Actuary (Cheiron)	\$13,160	\$1,097	\$0	\$8,773	\$0	0.00%	0.00%
Actuary - GASB (Cheiron)	\$0	\$0	\$0	\$0	\$0		
Accountant (GDK)	\$3,912	\$326	\$0	\$2,608	\$1,225	0.00%	46.97%
Auditor (Henfeld Meech)	\$5,987	\$499	\$0	\$3,992	\$0	0.00%	0.00%
Legal	\$4,505	\$375	\$1,100	\$3,004	\$2,075	292.99%	69.09%
Legal - Investigation	\$7,647	\$637	\$50	\$5,098	\$525	7.85%	10.30%
PCORI	\$1,719	\$143	\$0	\$1,146	\$0	0.00%	0.00%
Telemedicine (Gold) (Teladoc)	\$25,194	\$2,100	\$2,032	\$16,796	\$16,014	96.76%	95.34%
Telemedicine (HDHP) (Teladoc)	\$0	\$0	\$45	\$0	\$324		
General Administration	\$1,067	\$89	\$497	\$711	\$8,749	558.93%	1229.83%
GRAND TOTAL BUDGET	\$6,115,382	\$509,615	\$615,671	\$4,076,921	\$4,532,585	120.81%	111.18%

Cash Position As Of June 30, 2019		\$4,697,974
Cash Position MTD	February-20	(\$317,067)
Cash Position YTD	February-20	(\$811,806)
Cash Position All Years		\$3,886,168

Prior Year	Cash Position	June 30, 2019	\$4,697,974
Surplus	IBNP	June 30, 2019	(\$616,000)
Calculations	Surplus Position	June 30, 2019	\$4,081,974
Current Year	Cash Position	February 2020	\$3,886,168
Surplus	IBNP	February 2020	(\$703,193)
Calculations	Surplus Position	February 2020	\$3,182,975

Gold Active/Cobra Census					
	EE	ES	EC1	EC1+	EF
Budget	301	38	17	23	63
Actual	294	40	55	0	60
% Budget	97.7%	105.3%	323.5%	0.0%	95.2%

Gold Retiree Census					
	EE	ES	EC1	EC1+	EF
Budget	31	9	0	0	0
Actual	23	7	0	0	0
% Budget	74.2%	77.8%	0.0%	0.0%	0.0%

HDHP Active/Cobra Census					
	EE	ES	EC1	EC1+	EF
Budget	3	0	0	0	0
Actual	6	2	4	0	1
% Budget	200.0%	0.0%	0.0%	0.0%	0.0%

HDHP Retiree Census					
	EE	ES	EC1	EC1+	EF
Budget	3	0	0	0	0
Actual	2	0	0	0	0
% Budget	66.7%	0.0%	0.0%	0.0%	0.0%

Total Medical Census					
	EE	ES	EC1	EC1+	EF
Budget	338	47	17	23	63
Actual	325	49	59	0	61
% Budget	96.2%	104.3%	347.1%	0.0%	96.8%

Active/ Cobra Dental Census					
	EE	ES	EC1	EC1+	EF
Budget	364	42	23	24	55
Actual	321	43	53	0	60
% Budget	88.2%	102.4%	230.4%	0.0%	109.1%

Retiree Dental Census					
	EE	ES	EC1	EC1+	EF
Budget	0	0	0	0	0
Actual	23	7	0	0	0
% Budget	0.0%	0.0%	0.0%	0.0%	0.0%

Active/ Cobra Vision Census					
	EE	ES	EC1	EC1+	EF
Budget	370	44	18	19	51
Actual	314	48	52	0	51
% Budget	84.9%	109.1%	288.9%	0.0%	100.0%

Retiree Vision Census					
	EE	ES	EC1	EC1+	EF
Budget	0	0	0	0	0
Actual	23	6	0	0	0
% Budget	0.0%	0.0%	0.0%	0.0%	0.0%

YTD Aggregate Calculations					
Contracted Aggregate Factors					
	EE	ES	EC1	EC1+	EF
	\$659	\$1,312	\$1,161	\$1,161	\$1,971
Total	\$3,688,257.72				
Med/Rx	\$3,778,866.31				
Difference	(\$90,608.59)				
Estimated % Attachment Point				102.46%	

General Administration Expenses Detail

LHSEBT

	July	August	September	October	November	December	January	February	March	April	May	June	YTD
Expenses													\$0.00
Bank Fees													\$0.00
Cobra Dental Fees													\$0.00
Investment Management	\$0.00			\$1,642.44			\$1,658.44						\$3,300.88
Meeting Expenses								\$497.00					\$497.00
Misc. Expenses	\$500.00				(\$934.85)								(\$434.85)
Printing	\$1,326.27				\$61.25								\$1,387.52
State Fees													\$0.00
Trustees E&O	\$3,998.00												\$3,998.00
													\$0.00
													\$0.00
	\$5,824.27	\$0.00	\$0.00	\$1,642.44	(\$873.60)	\$0.00	\$1,658.44	\$497.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,748.55

LHSEBT - Lake Havasu Schools Employee Benefit Trust

2019-20

Jan-20

	Annual Budget	MTD Budget	MTD Actual	YTD Budget	YTD Actual	% Total MTD	% Total YTD
GROSS REVENUE	\$6,115,382	\$509,615.13	\$581,044	\$3,567,306	\$3,422,175	114.02%	95.93%
Contributions	\$5,936,321	\$494,693	\$569,814	\$3,462,854	\$3,332,961	115.19%	96.25%
Interest & Investment Income	\$63,135	\$5,261	\$3,952	\$36,829	\$32,599	75.11%	88.52%
COBRA/ASRS	\$115,926	\$9,660	\$7,278	\$67,623	\$56,615	75.34%	83.72%
CLAIM FUNDS	\$4,677,036	\$389,753	\$382,316	\$2,728,271	\$3,109,203	98.09%	113.96%
Medical (Gold)	\$3,365,748	\$280,479	\$319,516	\$1,963,353	\$2,532,303	113.92%	128.98%
Medical (HDHP)	\$87,612	\$7,301	\$3,391	\$51,107	\$5,648	46.45%	11.05%
Medical (Silver)	\$0	\$0	\$0	\$0	\$19,759		
Stop Loss Reimbursement	\$0	\$0	\$0	\$0	(\$47,212)		
Rx (Gold)	\$970,743	\$80,895	\$92,954	\$566,267	\$651,920	114.91%	115.13%
Rx (HDHP)	\$25,269	\$2,106	\$411	\$14,740	\$25,596	19.51%	173.65%
Rx (Silver)	\$0	\$0	\$0	\$0	\$347		
Rx Rebates	\$0	\$0	(\$52,677)	\$0	(\$186,555)		
Dental	\$227,664	\$18,972	\$18,720	\$132,804	\$107,400	98.67%	80.87%
PREMIUMS	\$950,695	\$79,225	\$82,940	\$554,572	\$593,000	104.69%	106.93%
Specific Stop Loss (American Fidelity)	\$761,433	\$63,453	\$67,477	\$444,169	\$458,757	106.34%	103.28%
Aggregate Stop Loss (American Fidelity)	\$20,748	\$1,729	\$1,750	\$12,103	\$11,866	101.21%	98.04%
Basic Life Insurance (Guardian)	\$35,719	\$2,977	\$3,291	\$20,836	\$23,135	110.57%	111.03%
VTL (Guardian)	\$59,261	\$4,938	\$7,793	\$34,569	\$55,160	157.79%	159.56%
STD (Guardian)	\$30,524	\$2,544	(\$1,095)	\$17,805	\$18,809	-43.07%	105.64%
Vision (United Health Care)	\$43,009	\$3,584	\$3,725	\$25,089	\$25,274	103.92%	100.74%
CLAIM ADMINISTRATION	\$265,588	\$22,132	\$22,182	\$154,926	\$147,523	100.22%	95.22%
Medical Admin (Gilsbar)	\$106,111	\$8,843	\$8,950	\$61,898	\$60,592	101.21%	97.89%
Cobra Admin (Gilsbar)	\$9,485	\$790	\$800	\$5,533	\$5,416	101.21%	97.89%
% of Savings	\$9,011	\$751	\$0	\$5,256	\$996		
Dental Admin (Ameritas)	\$19,812	\$1,651	\$1,632	\$11,557	\$11,320	98.82%	97.95%
FSA Admin (Gilsbar)	\$594	\$50	\$99	\$347	\$662	200.00%	190.91%
HSA Admin (Gilsbar)	\$0	\$0	\$20	\$0	\$132		
Utilization Review (AHG)	\$11,856	\$988	\$1,000	\$6,916	\$6,770	101.21%	97.89%
Case Management (AHG)	\$8,299	\$692	\$1,250	\$4,841	\$4,305	180.74%	88.92%
Medical Network (BCBSAZ)	\$93,366	\$7,781	\$7,828	\$54,464	\$53,210	100.61%	97.70%
Rx Integration (Gilsbar)	\$5,039	\$420	\$425	\$2,939	\$2,902	101.21%	98.73%
Rx Admin (CVS Caremark/WI Rx)	\$2,016	\$168	\$179	\$1,176	\$1,220	106.45%	103.78%
GENERAL OPERATING	\$222,063	\$18,505	\$9,752	\$129,537	\$67,188	52.70%	51.87%
Benefit Administrator (ECA)	\$75,760	\$6,313	\$6,000	\$44,193	\$42,000	95.04%	95.04%
Wellness Administrator (ECA)	\$32,604	\$2,717	\$0	\$19,019	\$0	0.00%	0.00%
Wellness Programs	\$50,507	\$4,209	\$0	\$29,462	\$0	0.00%	0.00%
Clinic Operating Expenses	\$0	\$0	\$0	\$0	\$0		
Actuary (Cheiron)	\$13,160	\$1,097	\$0	\$7,677	\$0	0.00%	0.00%
Actuary - GASB (Cheiron)	\$0	\$0	\$0	\$0	\$0		
Accountant (GDK)	\$3,912	\$326	\$0	\$2,282	\$1,225	0.00%	53.67%
Auditor (Henfeld Meech)	\$5,987	\$499	\$0	\$3,493	\$0	0.00%	0.00%
Legal	\$4,505	\$375	\$0	\$2,628	\$975	0.00%	37.10%
Legal - Investigation	\$7,647	\$637	\$0	\$4,461	\$475	0.00%	10.65%
PCORI	\$1,719	\$143	\$0	\$1,003	\$0	0.00%	0.00%
Telemedicine (Gold) (Teladoc)	\$25,194	\$2,100	\$2,049	\$14,697	\$13,983	97.57%	95.14%
Telemedicine (HDHP) (Teladoc)	\$0	\$0	\$45	\$0	\$279		
General Administration	\$1,067	\$89	\$1,658	\$622	\$8,252	1865.09%	1325.68%
GRAND TOTAL BUDGET	\$6,115,382	\$509,615	\$497,190	\$3,567,306	\$3,916,914	97.56%	109.80%

Cash Position As Of June 30, 2019		\$4,697,974
Cash Position MTD	January-20	\$83,854
Cash Position YTD	January-20	(\$494,739)
Cash Position All Years		\$4,203,235

Prior Year	Cash Position	June 30, 2019	\$4,697,974
Surplus	IBNP	June 30, 2019	(\$616,000)
Calculations	Surplus Position	June 30, 2019	\$4,081,974
Current Year	Cash Position	January 2020	\$4,203,235
Surplus	IBNP	January 2020	(\$684,229)
Calculations	Surplus Position	January 2020	\$3,519,006

Gold Active/Cobra Census					
	EE	ES	EC1	EC1+	EF
Budget	301	38	17	23	63
Actual	295	40	56	0	61
% Budget	98.0%	105.3%	329.4%	0.0%	96.8%

Gold Retiree Census					
	EE	ES	EC1	EC1+	EF
Budget	31	9	0	0	0
Actual	23	7	0	0	0
% Budget	74.2%	77.8%	0.0%	0.0%	0.0%

HDHP Active/Cobra Census					
	EE	ES	EC1	EC1+	EF
Budget	3	0	0	0	0
Actual	6	3	3	0	1
% Budget	200.0%	0.0%	0.0%	0.0%	0.0%

HDHP Retiree Census					
	EE	ES	EC1	EC1+	EF
Budget	3	0	0	0	0
Actual	2	0	0	0	0
% Budget	66.7%	0.0%	0.0%	0.0%	0.0%

Total Medical Census					
	EE	ES	EC1	EC1+	EF
Budget	338	47	17	23	63
Actual	326	50	59	0	62
% Budget	96.4%	106.4%	347.1%	0.0%	98.4%

Active/ Cobra Dental Census					
	EE	ES	EC1	EC1+	EF
Budget	364	42	23	24	55
Actual	322	44	53	0	60
% Budget	88.5%	104.8%	230.4%	0.0%	109.1%

Retiree Dental Census					
	EE	ES	EC1	EC1+	EF
Budget	0	0	0	0	0
Actual	23	7	0	0	0
% Budget	0.0%	0.0%	0.0%	0.0%	0.0%

Active/ Cobra Vision Census					
	EE	ES	EC1	EC1+	EF
Budget	370	44	18	19	51
Actual	314	48	52	0	52
% Budget	84.9%	109.1%	288.9%	0.0%	102.0%

Retiree Vision Census					
	EE	ES	EC1	EC1+	EF
Budget	0	0	0	0	0
Actual	23	6	0	0	0
% Budget	0.0%	0.0%	0.0%	0.0%	0.0%

YTD Aggregate Calculations					
Contracted Aggregate Factors					
	EE	ES	EC1	EC1+	EF
	\$659	\$1,312	\$1,161	\$1,161	\$1,971
Total	\$3,221,190.76				
Med/Rx	\$3,235,571.23				
Difference	(\$14,380.47)				
Estimated % Attachment Point	100.45%				

MEMORANDUM

TO: **LHSEBT Trustees**

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

DATE: April 09, 2020

RE: Ratification of Teladoc Consultation Fee Waiver for High Deductible Health Plan and Update on COVID-19

As you are all aware, we are in an unprecedented situation with the Covid-19 pandemic. Information, legislation and statistics are a constant barrage and we are all trying to keep up!

I am happy to report that the LHSEBT took early steps to ensure access to testing and related services at no member cost share, which later became a mandate under the Families First and CARES Acts. Treatment will be covered like any other illness in accordance with the applicable benefit schedule.

An outlier in the coverage was related to members covered under a High Deductible Health Plan (HDHP). The IRS prohibits first dollar coverage for other than preventive care in an HDHP, however the IRS relaxed its guidelines to allow insurance plans to provide Covid-related testing and services, including telemedicine visits, with no member cost share and without putting the plan at risk. (*NOTE: HDHPs that allow unqualified first dollar coverage are not qualified plans under the IRS, which means that members cannot contribute to a Health Savings Account.*) However, this coverage is not required by federal tax law, so plans have to choose to adopt it. In discussions with the Trust Chairperson, a decision was made to provide the same Covid-related coverage for HDHP members as those covered in other plans, including waiving the consultation fee for telemedicine visits. This action requires ratification by the Board and we respectfully request a motion to approve this action.

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.

MEMORANDUM

TO: **LHSEBT Trustees**

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

DATE: April 09, 2020

RE: Discussion re LHSEBT Wind Down Process

This memo is intended to summarize the process for the wind down of the LHSEBT after 06/30/20.

The Trust Document mandates that the Trust will remain in existence “for so long a period as may be necessary to wind up its affairs.” This period typically lasts 12-18 months, during which time claims that were incurred on or before 06/30/20 but not paid, are processed. The Trust Board remains in place during this wind down period in order to oversee the fiduciary aspects of the wind down, which consists mostly of monitoring the claims payments and Fund balance via the financial reporting process and to hear any appeals. The need for meetings is reduced since the day-to-day business is limited, usually twice during the wind-down period, however, that will ultimately be up to the Board as to how often they will meet after June 30.

In terms of anticipated costs, in addition to the payment of any outstanding medical, prescription, dental or vision claims, the Trust will be responsible for administrative costs necessary to wind up its operations as follows:

- Gilsbar (3 Months of Fee for 6 Months of Claims Processing) – Estimated at \$26,528
- Cheiron (Fee to Provide Updated IBNP Calculation for 06/30/20) – Estimated at \$1,000
- ECA (3 Months of Fee for Ongoing Administration) - \$19,500
- National Cooperative/CVS (1 Month of Admin Fee for Claims Processing) – Estimated at \$125
- JS&H (Legal Consultation/Advice) – Estimated at \$5,000

Claims and fees are paid from the funds remaining in the Trust after 06/30/20. Once the wind-down process has completed, any remaining funds in the Trust will be used by the District to pay for benefits in accordance with the Trust Document.

At such time as the outstanding claims have been paid, Trustees are to render a final accounting of the affairs of the Trust to the District’s Governing Board and shall then be discharged from further duty.

A few things to note from an employee perspective:

- Claims with dates of service on or before 06/30/20 will continue to be submitted through the applicable vendor for processing (i.e., Gilsbar for medical, CVS for prescriptions, etc.) and that should be transparent.
- It will be imperative for employees to submit their new NAEBT ID Card to providers for any services after 06/30/20 otherwise claims will go to the previous carriers (or plans in the case of shared vendors) and result in denial.
- Employees may experience some confusion as to who to contact for questions or concerns based on the date of service, however, the good news is that because ECA administers both plans, we can easily handle any issues or questions that arise.

I look forward to reviewing this process with you during the meeting on April 16, 2020. In the meantime, if you have any questions, I can be reached at (928) 753-4700 ext. 302 or via email at jaimes@ecollinsandassociates.com.

MEMORANDUM

TO: **LHSEBT Trustees**

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

DATE: April 09, 2020

RE: Updates & Announcements

Formerly called “Admin Update,” this item is intended to allow for staff and/or Trustees to provide updates on outstanding items, provide information about items of note that don’t require an agenda item for discussion, and to make any relevant announcements.

Wellness

ECA is in the process of finalizing an amendment to a contract with M.O.M. by SimonMed to provide on-site mammograms for LHSEBT members in May 2020, subject to change based on the coronavirus pandemic. Flyers will be distributed once the amendment has been executed.

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 james@ecollinsandassociates.com.