

LAKE HAVASU SCHOOLS EMPLOYEE BENEFIT TRUST

2200 Havasupai Blvd., Lake Havasu City, AZ 86403

Trust Board Minutes

February 05, 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 5:02 p.m. on February 05, 2019.

1.1 Roll Call

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

BOARD MEMBERS ABSENT: Dr. Fadi Atassi, Trustee

GOVERNING BOARD MEMBERS
PRESENT: N/A

ADMINISTRATION PRESENT: Diana Asseier, Superintendent
 Mike Murray, Director of Business Services

OTHERS:
 Erin Collins, ECA – Broker/Consultant
 Michael Hensley, JS&H – Legal Counsel (via phone)
 Storm Kinion, ECA – Broker/Consultant
 Jaime Schulenberg, ECA – Broker/Consultant
 5 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

Trustee Barney moved to discuss old business, seconded by Vice Chairperson Christiansen and unanimously approved.

3.1 Discussion and Possible Action re Void Gilsbar Contract

Mr. Collins updated the Board on the review of the Gilsbar agreement found to be void advising it was renegotiated as follows:

- A. Gilsbar – The contract now includes language that specifies the charges only apply to reports and changes that fall outside of the scope of services in the contract and that charges will only apply after the estimated costs have been approved by the Trust or staff.

Chairperson Cox inquired about the Clinical Bill Review & Audit. Mr. Collins explained it is a bill review that can result in a percent of savings. The entire agreement has been reviewed and approved by Mr. Hensley as well as Gilsbar. ECA recommends approval of the contract as presented.

Vice Chairperson Christiansen moved to approve the Gilsbar contract with the changes noted and authorize the Chair to execute on behalf of the Trust, seconded by Trustee Sasseen and unanimously approved.

4. New Business

Vice Chairperson Christiansen moved to discuss new business, seconded by Trustee Barney and unanimously approved.

4.1 Discussion and Possible Action re 2019-20 Benefits and Rates

Ms. Schulenberg reviewed the revised budget that reflects the benefit changes discussed on 02/04/19. These include the following:

- Reduction of the Gold Plan deductible to \$750 individual and \$1,500 family;
- Reduction of the Gold Plan Medical Maximum out of pocket to \$4,000 individual and \$8,000 family;
- Implement a separate Rx Maximum of \$3,900 individual and \$7,800 family;
- Elimination of the Silver Plan which has 10 retirees;
- Implement a qualified high deductible health plan with deductibles of \$4,000 individual and \$8,000 family. Once the deductible in the HDHP is met everything is covered at 100%; and
- Elimination of the precertification penalty of 50%.

The intent is for the Trustees to approve benefit changes and recommended rates for the coming year.

Vice Chairperson Christiansen inquired if the Silver Plan enrollees would have a choice in what plan they would have at open enrollment; Ms. Schulenberg confirmed they would be able to select between the Gold Plan and the HDHP.

Mr. Collins noted when discussing the reduction in rates it is important to realize that is between the actuary's numbers last year and this year only; the District did not fully fund the Trust last year. There is not enough of a savings at this time to make the Trust whole, however the span has been greatly reduced.

Mr. Murray confirmed the discussion with the District will be whether to fund the recommended amount. The first budget committee meeting is within a week; with the budget numbers the committee can have serious conversation regarding proposed funding. Mr. Murray feels confident they will be able to look at the recommended funding.

Trustee Barney moved to adopt and approve new rates and benefits as recommended, seconded by Chairperson Cox and unanimously approved.

4.2 Discussion and Possible Action re 2019-20 Vendor Contract Renewals

Ms. Schulenberg reviewed the vendor renewals effective July 01, 2019. ECA requested the Trust approve the renewals as presented and authorize the Chairperson to sign all the renewal documents once they have been approved by legal counsel.

Chairperson Cox inquired why Gilsbar was implementing a PBM Integration Fee and asked whether other TPAs were doing the same; Mr. Collins reported he has been seeing these more often due to increased requirements and complexities.

Vice Chairperson Christiansen moved to approve renewals and presented contracts and authorize the Chair to sign once approved by legal counsel, seconded by Trustee Barney and unanimously approved.

4.3 Discussion and Possible Action re Clinic Lease

Mr. Collins suggested a brief Executive Session may be in order to discuss the Clinic Lease. Vice Chairperson Christiansen moved to adjourn to Executive Session regarding the Clinic Lease, as recommended, seconded by Julie Sasseen and unanimously approved.

Regular session resumed at 6:25 p.m.

Chairperson Cox reported the Executive Session was to discuss the current lease of the 89 Civic Center building.

Trustee Barney moved to authorize the Chair and Vice Chair to negotiate termination or modification of the existing lease including disposition of remaining equipment, seconded by Julie Sasseen and unanimously approved.

4.4 Approval of December 31, 2018 Financials

Ms. Schulenberg reported ECA had reviewed the financial summary at the meeting on February 04, 2019 so she would summarize briefly. The Trust banked money in December, however, the YTD position remains at (\$149,304) and the IBNP is (\$1,326,883), leaving the all year surplus at just over \$2.1M. Points to note:

- Interest and Investment Income continue to exceed ECA's projections due to the ability to invest additional funds.
- YTD deficit primarily attributed to large claims.
- Gold Plan claims are running at 140% with 9 large claims totaling \$1.3M.
- H&W Labs and Rx are at 0% due to the outstanding invoices from Cerner that have not been paid because they have not provided sufficient back-up. Once the back-up is received ECA will process them for payment.

Vice Chairperson Christiansen moved to accept the December 31, 2018 financial report, seconded by Trustee Barney.

4.5 Administrative Update

Ms. Schulenberg reported ECA had no updates at this time. Vice Chairperson Christiansen reported he would be attending the next meeting, in March, telephonically.

The next scheduled meeting is March 21, 2019. Ms. Schulenberg confirmed the date and reminded the Trustees the upcoming meeting is an Executive Session on the special legal project Mr. Hensley has been working on in addition to Trustee training. Mr. Murray pointed out there is a regular Governing Board meeting on March 21, 2019 conflicting with the Trust meeting which resulted in tentatively rescheduling for Wednesday, March 20, 2019 at 5:00 p.m.

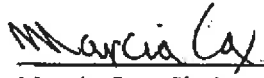
No Action.

5. Adjournment

Vice Chairperson Christiansen moved to adjourn at 6:40 p.m., seconded by Trustee Sasseen and unanimously carried.

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 05, 2019 are approved as submitted.



Marcia Cox, Chairperson



Hal Christiansen, Vice Chairperson