

MARICOPA COUNTY SELF-INSURED TRUST

**BOARD OF TRUSTEES MEETING**

301 W. Jefferson Street, Suite 3200  
North Conference Room, 3<sup>rd</sup> Floor, Maricopa County Administration Building  
Monday, October 20, 2014  
Open Meeting Time: 11:00 A.M.

**MINUTES**

TRUSTEES PRESENT: Jim Steinkamp, Frank Hinds, Dan Robledo,  
Rex Jorgensen

TRUSTEES ABSENT: Brad Arnett, Beverly Dupree

STAFF PRESENT: Meg Blankenship, Christopher Bradley, Dave Hansen,  
Tawn Austin, Haydee Arismendez

GUESTS: Ann Marie Janusek, Kevin Russell, Zach Wolfe, Tina Allen

Haydee Arismendez distributed a presentation folder to each Trustee and Staff member present. The folder included the meeting agenda, June 26, 2014 and August 18, 2014 meeting minutes, and the financial statements.

The Open Session meeting was called to order by Chairperson Steinkamp at 11:03 A.M. A quorum was present.

**Approval of Meeting Minutes**

Chairperson Steinkamp called for the approval of the June 26, 2014 meeting minutes. No changes were identified. The motion to approve the minutes was made by Trustee Hinds and seconded by Trustee Jorgensen. The June 26, 2014 minutes were unanimously approved. Approval of the August 18, 2014 meeting minutes was deferred until the November 17, 2014 meeting.

**Presentation and Discussion – Review of Financial Statements**

Dave Hansen presented a review of the current assets and liabilities related to the Employee Benefits Trust Fund as reflected in the following financial reports:

- Statements of Revenues, Expenses, and Changes in Net Assets – YTD as of July 31, 2014
- Statements of Net Assets – July 31, 2014, June 30, 2014, June 30, 2013, and June 30, 2012
- Balance Sheet Details – July 31, 2014, June 30, 2014 and June 30, 2013, and June 30, 2012
- Fund Balance Roll-Forward – One Month Ended July 31, 2014
- Revenue and Expenses – One Month Ended July 31, 2014
- Financial Commentary – July 2014

The question by Trustee Robledo in reference to the Cigna capitation was addressed and clarified. There is a capitation fee for which Cigna has billed the County, and the fee is built into the rates that Cigna charges for use of its Cigna Medical Group Health Care Centers. Cigna discovered an error in the fees assessed to the County, and they issued a refund totaling a little over \$6 million.

The question by Trustee Steinkamp in reference to the Short-Term Disability benefit accruals was addressed and clarified. The County increased the Short-Term Disability rates, with the expected result that the County will be where it needs to be based on claims projections.

The question by Trustee Jorgensen in reference to the evaluation of liabilities was addressed and clarified. The County evaluates liabilities every month for each plan.

The question by Trustee Steinkamp regarding the final adjustment to the financials was addressed and clarified. The final adjustment is done after two months' worth of a run-out period. It does not include all run-out period claims, but rather an estimate.

### **Presentation and Action – Trust Fund Reserves**

Ann Marie Janusek and Kevin Russell presented an overview of the financial reserves set aside in the Benefits Trust Fund as of June 30, 2014 to cover the liabilities under each benefit option. The Board was also asked to consider the recommendation to continue Stop-Loss Insurance set to zero for FY 2016.

The questions by Trustee Jorgensen in reference to Short-Term Disability and whether changes were made to meet one of the requirements of the Affordable Care Act were addressed and clarified. The Affordable Care Act had no impact on the Short-Term Disability benefit changes. The County made a change to the elimination period for two reasons: the County had sufficient reserve at the time to make the change, and the County wanted to be closer aligned to the market by having a two week elimination period.

Chairperson Steinkamp called for a motion to approve the recommendations on the reserve levels made by Mercer. The motion to approve the recommendations was made by Trustee Jorgensen and seconded by Trustee Hinds. The recommendations on the reserve levels were unanimously approved.

Chairperson Steinkamp called for a motion to approve the recommendation to continue Stop-Loss Insurance set to zero for FY 2016. The motion to approve the recommendation was made by Trustee Jorgensen and seconded by Trustee Hinds. The recommendation to continue Stop-Loss Insurance set to zero for FY 2016 was unanimously approved.

### **Presentation and Action – Benefit Premium Holiday**

Dave Hansen presented information on the plan to have a Benefit Premium Holiday to waive both the employer and employee premium on the three bundled Health and Welfare plans: Medical, Pharmacy, and Behavioral Health, and any applicable premium reductions for the Wellness Screenings: Biometric, Health Assessment, and Tobacco Use.

The Benefit Premium Holiday was previously planned for. Chairperson Steinkamp called for a motion to approve the recommendation. The motion to approve the recommendation was made by Trustee Robledo and seconded by Trustee Jorgensen. The recommendation to have a Benefit Premium Holiday was unanimously approved.

### **Presentation and Discussion – Alternative Care Benefits**

Meg Blankenship provided information regarding the health plans' provider networks for Alternative Care Benefits. Cigna currently has 3 providers for acupuncture, 650 for chiropractic care, and 50 for naturopathic care. UnitedHealthcare has 9 for acupuncture, 586 for chiropractic care, and 8 for naturopathic care. Meg went over the credentialing criteria that the vendors use.

### **Call to Public**

Chairperson Steinkamp made a Call to the Public. There was no response.

### **Motion to Adjourn**

Chairperson Steinkamp called for a motion to adjourn. The motion was made by Trustee Hinds and seconded by Trustee Jorgensen. The motion passed unanimously.

The meeting was adjourned at 11:56 A.M.