

MARICOPA COUNTY SELF-INSURED TRUST

BOARD OF TRUSTEES MEETING

301 W. Jefferson Street
Board of Supervisors Conference Room, 10th Floor
Tuesday, January 10, 2012
Meeting Time: 11:00 A.M.

OPEN SESSION

MINUTES

BOARD PRESENT: Susan Strickler, Dan Robledo, Beverly DuPree,
Brad Arnett, Jim Steinkamp

BOARD ABSENT: Dean Wolcott (resigned as Trustee eff. 01/09/2012)

STAFF PRESENT: Meg Blankenship, Christopher Bradley, Dave Hansen,
Christine Stutz, Curtia Hunter-Richard

GUESTS: Steve Dahle, Strategic Procurement Officer

The Open Session meeting was called to order by Susan Strickler, Chairperson of the Board of Trustees at 11:02 A.M. and a quorum was present.

Curtia Hunter-Richard distributed a presentation folder to each Trustee and Staff present, containing the following meeting materials: meeting agenda, Board of Trustees minutes reflecting the December 6, 2011 meeting, Employee Benefits Trust Fund Financial Statements as listed in the Review of Financial Statements Presentation, Procurement Process and Vendor Reporting Presentation, Integrative Primary Care Presentation, Benefit Premiums 2013, and updated Board of Trustees contact information.

Approval of Last Meeting's Minutes

Chairperson Strickler called for the approval of the December 6, 2011 meeting minutes. No changes were identified. The motion to approve the minutes was made by Trustee Robledo and seconded by Trustee DuPree. The minutes were unanimously approved. (Note: The motion to approve the minutes was conducted following the discussion of the fifth agenda item).

Presentation and Discussion:
Review of Financial Statements

Dave Hansen, Benefits Finance Manager, presented a review of the Employee Benefits Trust Fund Financial Statements, as follow:

- Statement of Revenues, Expenses, and Changes in Net Assets – YTD as of December 31, 2011
- Statements of Net Assets – December 31, 2011, June 30, 2011 and June 30, 2010
- Fund Balance Roll-Forward Six Months Ended December 31, 2011
- Balance Sheet Details – December 31, 2011, June 30, 2011 and June 30, 2010
- Notes to Financial Statements December 2011

The question from Trustee Steinkamp in reference to the impact of large claims on the year-to-date margin of Total Net Assets was addressed and clarified. The increase of large claims by \$3 million is reflective of services that occurred early in the previous fiscal year. All other claims have actually reduced year-to-year by 5% as there are fewer routine claims going through the system at this time.

The question from Trustee DuPree in reference to potential delays in claims processing that impacts financial reporting was addressed and clarified. Delays in claims processing cannot be attributed to any one cause. Reports of in-patient hospital stays have been requested from CIGNA which may be useful as an indicator of future high dollar claim expenses.

Questions from Chairperson Strickler in reference to CIGNA's response to the request for reports and their average turnaround time for processing claims were addressed and clarified. At this time, CIGNA has not indicated when the requested report will be produced. CIGNA's turnaround time for processing claims is 10-15 days from when a claim is submitted.

The question from Trustee Robledo in reference to the definition of a large claim as reflected in the financial statements was addressed and clarified. Large claims are identified as the top thirty (30) high dollar claims per month.

Presentation and Discussion:
Procurement Process and Vendor Reporting

A request by Chairperson Strickler had been made for information about the procurement process used by the County to secure vendors for the benefits health and welfare programs.

Steve Dahle, Strategic Procurement Officer, presented information about the procurement process. Meg Blankenship explained the Benefits Division's role in managing vendor service delivery according to the contracts.

The question from Chairperson Strickler in reference to who is on the procurement evaluation committee was addressed and clarified. Typically the committee consists of 3 to 5 people, which may include an internal subject matter expert, an outside resource entity, or another government entity to assist with the Request for Proposal (RFP) or Invitation to Negotiate (ITN) evaluation.

The question from Trustee DuPree in reference to the inclusion of Trustees' input about benefits during the procurement process was addressed and clarified. It was confirmed that input from the Trustees would be included in benefits discussions during the procurement process and during discussions about employee satisfaction with the benefits package.

The question from Chairperson Strickler in reference to the solicitation of employee feedback was addressed and clarified. It was confirmed that employees are encouraged to complete an annual benefits satisfaction survey which takes place during the Spring. Feedback from employees is collected in various manners, including via calls that are handled in the call center and tracked through the case management system.

Questions from Chairperson Strickler in reference to performance guarantees and penalties on the subject of Service Level Agreements (SLA) for provider contracts were addressed and clarified. Service Level Agreements are being used to replace performance guarantees, and they include requirements that vendors must meet as well as penalties for failure to meet the stated requirements.

The question from Chairperson Strickler in reference to the reporting accountability of vendors in support of the SLA was addressed and clarified. Reports generated from a vendor's call tracking or claims management system would need to be validated. The County is in the process of making the determination of who will own the responsibility for validation and how it would be managed.

The question from Chairperson Strickler in reference to Mercer's involvement in SLA design was addressed and clarified. Mercer is engaged initially when a contract is being put together to supply input on how other entities design penalties within their contracts. The County's goal is to improve on existing measures and processes; ensuring vendors are delivering the service outlined in a contract and doing so at the best rate.

Discussion regarding the cost effectiveness and customer satisfaction of having multiple service providers and custom configured /specialized networks ensued. These are options to consider in the future.

The question from Chairperson Strickler in reference to the data warehouse contract and the process for mining data was addressed and clarified. Mercer provides an annual comparison year-to-year and assists in identifying potential design changes, while the Benefits Finance team does the spot analysis of the data throughout the year.

The question from Chairperson Strickler in reference to an independent source to handle the appeals process and the analysis of appeals for the purpose of identifying trends on behalf of the County was addressed and clarified. Catalyst Rx and CIGNA manage the appeals process on behalf of the County, and will be providing summary reports concerning appeals.

Presentation and Discussion:

Integrative Primary Care: The Benefits, Clinic and Study

Christopher Bradley, Director of Business Strategies and Health Care Programs, presented information about the partnership between the County and the University of Arizona. The U of A will be opening an integrative medicine clinic as an expansion of CIGNA's network of providers. County employees and their adult dependents will have the option to use the clinic if enrolled in the OAP and Choice Fund medical plans for FY 2013. This agreement with University of Arizona College of Medicine will include a research study on claims and biometric data to determine if the integrative medicine approach yields better health outcomes.

Questions from Chairperson Strickler in reference to the integrated medicine clinic were addressed and clarified. It was confirmed that employees' utilization of the clinic or participation in the research study would be strictly voluntary. Only one downtown clinic will be available initially, and claims will be processed through CIGNA. Details on the rates and reimbursement model are in the process of being determined.

The question from Trustee Steinkamp in reference to alternative medicine was addressed and clarified. The County already offers an alternative medicine benefit with similar services. The integrative medicine clinic extends the coverage currently available.

Discussion regarding the pros and cons of alternative medicine; the integrative medicine clinic's potential for success; and the research study ensued and clarifications were provided.

The question from Trustee Arnett regarding additional administrative costs to the County for the integrative medicine clinic were addressed and clarified. There would not be any additional administrative costs for the County; the costs for extracting the data would all be the responsibility of the University of Arizona.

Discussion regarding the approval process by the Board of Supervisors for the benefits plan design recommendations for FY13 ensued and clarifications were provided.

Call to Public

Chairperson Strickler made a call to the public. No one from the public was present.

Motion to Adjourn

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

The meeting was adjourned at 12:10 PM.