

Pima County Health Care Benefits Trust Board Meeting November 10, 2021

Pursuant to A.R.S. §38-431.02, notice is hereby given that the Pima County Health Care Benefits Trust held a meeting open to the public on **Wednesday, November 10, 2021 at 9:00 a.m.** The meeting was held virtually through Microsoft Teams.

MINUTES

A. Roll Call

Present

Keith Dommer, Chair, Board Member
Daisy Jenkins, Board Member
Monica Perez, Board Member
Jared Perkins, Board Member
Ellen Wheeler, Board Member

Also Present

Debbie Knutson, Board Coordinator
Cathy Bohland, Pima County, Human Resources
Gayl Zambo, Pima County, Human Resources
Erin Higdon, Pima County, Human Resources
Toni Parkhurst, Pima County, Human Resources
Eric Rustand, CBIZ
Mike Zucarelli, CBIZ
Oscar Diaz, CBIZ
Lori Russell, CBIZ
Justine Shoener, CBIZ
Kristine Kot, CBIZ
Lisa Richard, CVS Health
Ann Coupland, Delta Dental
Kevin Wenceslao, Employers Health
Ray Eveleth, Aetna
Karen Peters, Aetna
Michelle Campagne, Pima County, Finance
Andy Welch, Pima County, Finance
Robert Szilagyi, Pima County, Finance
Anthony Batchelder, Pima County, Finance
Mandy Armenta, Pima County, Finance
Claudia Owens, Pima County, Finance
Blanca Rossetti, Pima County, Finance

Meeting was called to order at 9:04 a.m.

B. Pledge of Allegiance

- All present joined in the pledge of allegiance.

C. Approval of May 13, 2021 and August 12, 2021 Meeting Minutes

- Moved by Ms. Wheeler, seconded by Mr. Perkins, approved 4:0.
 - One Board Member not in attendance during vote.

D. Human Resources Items – Gayl Zambo

- **Annual Trust Report Review**

Ms. Zambo briefly reviewed the Annual Trust Report Review Plan Year Summary for FY 07/01/2020 – 06/30/2021, noting that there is a discrepancy on the Cotiviti report that has been noted with the data being correct, but the graph showing incorrectly as “flat.” Mr. Rustand stated that the report is a canned report and there is no ability to manipulate the reporting provided. Mr. Dommer and Ms. Perez suggested to leave the data in. Mr. Perkins stated he is fine either way. The memo submitted to the Board is dated November 18, 2021.

- Approval of *Annual Trust Report* Moved by Mr. Perkins, seconded by Ms. Perez, approved 5:0.

- **Meeting packets (electronic vs. hard copy)**

Ms. Zambo discussed the option for meeting packets being electronic vs hard copy moving forward. Mr. Dommer asked if we are to return to in person meetings in the future, would the Board continue to receive the packets a week in advance still? Ms. Zambo confirmed this to still occur. Ms. Perez agreed to go green and Mr. Dommer agreed.

- **Trustee Appointment and need new Secretary**

Ms. Zambo announced that this will be the current Board Secretary, Ellen Wheeler’s last meeting and we will need a new Secretary going forward. Tom Burke will join the Board in 2022, replacing Ms. Wheeler. Thank you Ms. Wheeler for all of your hard work and effort as our Board Secretary. Ms. Bohland asked if the Board would like to vote now or wait until the February meeting. Mr. Dommer stated that he preferred to wait until the February meeting and to have a formal item added to the agenda.

- **Delta Dental Quarterly Packet (Informational Only)**

Ms. Zambo stated that the Delta Dental Quarterly Packet (slide 102 – slide 105) has been included within the Health Care Benefits Trust Meeting Packet. This information will be sent every quarter.

- **Medical and Dental Rates for FY 2022/23**

Ms. Zambo presented the proposed Medical and Dental Rates for FY 2022/23, noting that there is an increase of 11.48% for medical rates and tiered level increases for the dental rates. Mr. Dommer asked if the rates meet the guidelines set forth by the Trust Board. Ms. Zambo confirmed that they are right on target. Mr. Dommer encouraged that Human Resources provide analysis of how the rates will meet the guidelines in the packet next year, so the Trust Board has ample time to review.

E. Aetna Presentation Summary – Ray Eveleth and Karen Peters

- **Medical Utilization Review – 07/01/2021 – 09/30/2021**

Mr. Eveleth presented a Summary of Key Findings (slide 110). Mr. Eveleth indicated for the first quarter of the 2021/2022 plan year that the “BOB” (Book of Business) is a little misleading due to it only being three months. The medical spend increased, however, claimants under \$100K decreased. Mr. Eveleth highlighted that the number of High Cost Claimants has increased from seven to twelve in the first quarter versus the prior period. Mr. Eveleth discussed the medical cost categories that have had an impact on the medical spend increase. Mr. Eveleth provided additional data regarding utilization review in which a positive trend exists and there appears to be a return to normalcy versus the prior period. Mr. Perkins asked if Aetna also tracks re-admission rates. Mr. Eveleth stated that Aetna does, a report can be pulled and information can be added. Mr. Rustand asked that the information be included on the slide going forward. Ms. Zambo agreed that this would be great to add.

- **High Cost Claims**

Ms. Peters discussed the HCC Claimant Overview (slide 114 – slide 116). Ms. Wheeler asked for clarification as to how many High Cost Claimants have a diabetes diagnosis. Ms. Peters confirmed that three have the diabetes diagnosis and four are at high risk.

- **COVID-19 Update**

Mr. Eveleth briefly reviewed the COVID-19 Claims Impact (slide 111). Mr. Eveleth said the report provided gives the total COVID-19 Claims Impact for 01/01/2021 to 09/30/2021, rather than 07/01/21 to 9/30/21, and he has submitted a request to their analytics team to find out the discrepancy. While the information shown is YTD, the numbers on the report are showing that there is an uptick in vaccinations and peaks and valleys in testing. Ms. Jenkins inquired as to how much of the employee population has been vaccinated. Mr. Eveleth said Aetna may not have the most current numbers due to the difference in reporting by Aetna and by CVS. Ms. Bohland said HR records show that out of 6,306

employees, 83% are vaccinated with the lowest non-vaccinated rates coming from Deputies, Corrections Officers and Probation Officers. Ms. Zambo stated that the surcharge for non-vaccinated employees went into effect this pay period, with approximately 620 employees being affected. Mr. Dommer asked if the surcharge is outside of the FY 2022/23 rates previously presented, if the surcharge will continue into the 2022/23 plan year, and if the monies go back into the trust. Ms. Zambo replied yes to all questions asked by Mr. Dommer.

F. Caremark/CVS & Employers Health Presentation – Lisa Richard

- **Pharmacy Utilization Review – 07/01/2021 – 09/30/2021**

Ms. Richard presented the Pharmacy Utilization Review Report (slide 135) for July 2021 – September 2021. Ms. Richard provided an overview of the Total Gross Trend Components and reminded the Board that the rebate dollars do not follow this timeline, lagging by about three months. Ms. Richard noted that there is a significant increase in the utilization and cost of prescription drugs, specifically specialty drugs. Ms. Jenkins asked if there is an average age for utilization for these specialty drugs. Ms. Richard responded that the average age is 47.7 years old.

- **COVID-19 Update**

Ms. Richard provided an update on COVID-19 vaccines administered. As of October 24, 2021, there have been 1,192 COVID vaccines fully administered and 457 COVID vaccines partially administered through the pharmacy benefit. Ms. Richard noted that this data is only for the claims that are specifically billed through the pharmacy benefit, and that additional vaccinations might be billed to Aetna.

G. CBIZ Presentation – Eric Rustand

- **Claims Review – July 2021 through September 2021**

Mr. Rustand presented the Paid Claims and Fixed Costs Overview (slide 155). Mr. Rustand noted that Pima County has a total claims administration spend of \$13,037,628 and an expected loss ratio of 85.7% for the first quarter, which CBIZ is a little concerned with. Mr. Rustand reviewed the Annualized Cost Comparison Analysis, which shows cost PEPM increased over the prior period from \$876 to \$951. He noted that if Pima County were to go from 85.7% loss ratio to 100%, the Trust would begin to dig into to the reserve. Mr. Perkins asked if CBIZ can identify what is driving the increase. Mr. Rustand stated it is the increase in the specialty drug area and the higher number and higher severity of large claimants. Mr. Dommer said that in reviewing the presentation before the meeting, he did not observe any sense of alarm from CBIZ, and he asked that CBIZ alert the Board prior

to the next meeting if serious concerns develop. Mr. Rustand agreed that he can call this out in a presentation if this exists. Mr. Dommer inquired as to the predictive level that may have been considered when determining the rates for the 2022/2023 plan year cost increase. Mr. Rustand indicated that there are rules in place as to what can be considered and the predictive level is prudently conservative.

H. Pima County Finance – Andy Welch

Mr. Welch presented the Health Benefit Trust Fund Financial Statements for the following:

- **Annual Review** – slide 161 – slide 167
- **Quarterly Review** – slide 168 – slide 172
- **Budget Review** – slide 173
- **Investment Review** – slide 174 – slide 175

Mr. Welch noted that Pima County Finance has just completed their audit with a clean and unmodified audit opinion being received with no findings.

I. Call to the Audience

There were no audience comments.

J. Housekeeping

- **Next Meeting Date** - February 10, 2022
- **Future Discussion Items**
 - Add vote to elect Board Secretary to February 10, 2022 agenda.
 - Mr. Dommer discussed the option(s) of returning to in person meeting versus virtual meetings. Ms. Bohland has not received guidance for meetings of ten or more people and suggested that meetings remain virtual for now.

Adjournment at 10:54 a.m.