

**FINAL**  
**Minutes of Board of Trustees Annual Organizational Meeting**  
**Teleconference**  
**Thursday, August 17, 2023 8:30 AM**

**The following Trustees were present and a quorum was met:**

<b>Ryan Hackmann, Chairperson</b>	<b>Desert View Schools</b>
<b>David Coolidge, Vice-Chairperson</b>	<b>City of Winslow</b>
<b>Linda Watson, Treasurer</b>	<b>City of Page</b>
<b>Jessica Vaughan</b>	<b>Town of Eagar</b>
<b>Pat Nichols</b>	<b>City of Holbrook</b>
<b>Eric Lillis</b>	<b>Kingman Academy of Learning</b>
<b>Alexis Rivera</b>	<b>Town of Miami</b>
<b>Amy Putnam</b>	<b>Town of Parker</b>
<b>Kristie Allen</b>	<b>Pine-Strawberry Water Improvement District</b>
<b>Danielle Palma</b>	<b>City of Safford</b>
<b>Katie Melser</b>	<b>Town of Snowflake</b>
<b>Kelsi Miller</b>	<b>Town of Springerville</b>
<b>Pamela Galvan</b>	<b>City of Williams</b>

**The following Alternate Trustees were present:**

<b>Kandace French-Contreras</b>	<b>Town of Carefree</b>
<b>Rick Ogston</b>	<b>Desert View Schools</b>
<b>Kara Solis</b>	<b>Town of Eagar</b>
<b>Amy Hunt</b>	<b>Kingman Academy of Learning</b>
<b>Karen Norris</b>	<b>Town of Miami</b>
<b>Rachell French</b>	<b>City of Page</b>
<b>Morgan Motz</b>	<b>Pine-Strawberry Water Improvement District</b>
<b>Cindy Lee</b>	<b>City of St. Johns</b>
<b>Heidi Wink</b>	<b>Town of Springerville</b>
<b>Geri Judd</b>	<b>Town of Taylor</b>
<b>Sue Bennett</b>	<b>City of Williams</b>
<b>Kelley Pugh</b>	<b>City of Winslow</b>

**The following Vendors were present:**

<b>Mike Hensley</b>	<b>Jones, Skelton, &amp; Hochuli, P.L.C.</b>
<b>Rick Cajthaml</b>	<b>Meritain Health</b>
<b>Marina Phillips-Waddle</b>	<b>Meritain Health</b>
<b>Erin Collins</b>	<b>Gallagher</b>
<b>John Hatz</b>	<b>Gallagher</b>
<b>Missy Jenson</b>	<b>Gallagher</b>
<b>Peter Norton</b>	<b>Gallagher</b>
<b>Amanda Weaver</b>	<b>Gallagher</b>
<b>Paul Fleming</b>	<b>Jorgensen Brooks Group</b>

**1. Call to Order**

The meeting was called to order at 8:30 a.m. by Chairperson, Ryan Hackmann.

**2. Roll Call**

Roll Call was taken by Amanda Weaver.

**3. Discussion, Consideration of and Possible Action Regarding Approval of the June 01, 2023 Trust Meeting Minutes**

Ryan Hackmann asked for a motion to approve the June 01, 2023 Draft Trust Meeting Minutes and confirmed with Amanda Weaver that there were no requested changes. Katie Melser made a motion to approve the Draft Trust Meeting Minutes as presented. Linda Watson seconded the motion.

**The motion passed 16-0.**

**4. Discussion, Consideration of and Possible Action Regarding RAGHT Member Request for Benefit Exception**

Erin Collins explained that a Member of the Rural Arizona Group Health Trust was requesting an exception to continue services for a dependent with an out of network provider. Erin explained that if Trustees had questions and needed to discuss with Trust Legal Counsel than they could move into Executive Session.

Amy Putnam made a motion to move into Executive Session at 8:41 a.m. and Kandace French-Contreras seconded. Motion passed unanimously as the Member requested the matter, involving Personal Health Information, be held in a confidential Executive Session.

Mike Hensley, Trust Legal Counsel, noted that the Member, Trustees, Alternate Trustees and the necessary vendors should be on the call as to not violate ARS Sec. 38-431.03(A)(2).

The Member provided an overview of the request. Trustees discussed and asked questions of Member, Trust Legal Counsel and vendors.

Trustees then asked to move into a Sub Executive Session to discuss with Legal Counsel. Amy Putnam made a motion to move into Sub Executive Session at 9:17 a.m. and Kandace French-Contreras seconded. Trustees felt comfortable to make a decision and move out of Executive Session into Open Session.

Linda Watson made a motion to move out of Executive Session into Open Session at 9:31 a.m. Kristie Allen seconded the motion. Motion passed unanimously.

Ryan Hackmann asked whether Trustees would like to make a motion. Kandace French-Contreras made a motion to deny the Request for Exception. Amy Putnam seconded.

**The motion passed 16-0.**

#### **5. Discussion, Consideration of and Possible Action Regarding Navitus Contract**

John Hatz explained that In the process of finalizing the details of the agreement, it was noted that Navitus had reported their administration expense charges outside of the required format with the result being that they were not correctly accounted for in the calculation of final costs and projected savings. Although this calculated to \$180,734 less that was originally presented to Trustees, Navitus still remained the most competitive.

John let Trustees know that Peter Norton with Gallagher and Stephanie Hemmerling and Lisa Thompson were on the call to answer any questions Trustees had.

Linda Watson made a motion to award the contract to Navitus with a July 01, 2023 effective date. Eric Lillis seconded the motion.

**The motion passed 16-0.**

#### **6. Discussion, Consideration of and Possible Action Regarding Benefit Enrollment Portal Request For Proposal (RFP)**

John Hatz reminded Trustees that at the June 01, 2023 Trust Meeting they voted to move forward with Gallagher receiving bids on the cost for a Benefit Enrollment RFP due to service issues and technical issues. John stated we received two proposals, one from Gallagher and the other through Buck Consultants which was recently acquired by Gallagher. In reviewing the proposals, Gallagher's recommendation was to move forward with Buck as both provided the same Statement of Work; however, Buck was less costly.

Linda Watson made a motion to move forward with Buck Consultants conducting a Request for Proposal for Enrollment Portal Services with a planned effective date of July 01, 2024 and implementing a RFP Committee to assist through the process. Kelsi Miller seconded the motion.

**The motion passed 16-0.**

#### **7. Discussion, Consideration and Possible Action Approval of Financial Results Through June 30, 2023**

Amanda Weaver provided Trustees with an overview of the Trust financials ending June 30, 2023, letting Trustees know that the Cash Position was at \$10,132,747, taking into account the Actuary's Incurred But Not Paid (IBNP) liability of \$1,676,000, the Trust reported an estimated surplus position of \$8,456,747. Amanda noted that compared to the previous 3 years the Trust ran very well; ending the Plan Year with a gain of approximately \$1.8M.

Amanda also provided an overview of the large cases informing Trustees that as of the end of June there were eighteen (18) large case over \$75,000 totaling \$6.2M. Eight (8) of the large claimants have exceeded the \$150,000 Specific Deductible and the \$100,000 Aggregating Specific Deductible by a combined total of \$158,000. Meritain had obtained \$92,267 from the Stop Loss Carrier as of June 30<sup>th</sup>, SunLife, and will continue to seek reimbursement for the remaining \$65,733.

Amanda Weaver noted that a motion to approve the financials as presented was needed.

Kandace French-Contreras made a motion to approve the financials through June 30, 2023 as presented. Eric Lillis seconded the motion.

**The motion passed 16-0.**

## **8. Wellness Update**

Missy Jenson provided an overview to Trustees of the following Wellness Screenings:

- Skin Cancer Screenings
- Prostate Screenings
- Flu Vaccinations
- Mammography Screenings

Missy also provided an overview of the Omada Health Program and discussed the Wellness Entity Budgets and how to process reimbursements. No action was needed.

## **9. Discussion, Consideration of and Possible Action Regarding Approval of the 2023-2024 RAGHT Budget**

John Hatz informed Trustees that the packet included RAGHT's annual budget, as well as each individual entity's budgets, noting that the final budgets show updated census and Basic/AD&D and Dependent Basic Life annual premiums. It was also discussed how much of the budget dollars go towards claims, insurance premiums and administration.

John also informed Trustees that the General Administration Line item was increased by \$410,000 due to the Stop Loss coming in under budget.

Linda Watson made a motion to approve the 2023-2024 RAGHT Budget as presented. Kandace French-Contreras seconded the motion.

**The motion was approved 16-0.**

## **10. Discussion, Consideration of and Possible Action Regarding Approval of the 2022-2023 Incurred but Not Paid (IBNP) and Target Reserve Recommendation**

John Hatz began by letting Trustees know that the Incurred but Not Paid (IBNP) claim reserves report created by Cheiron was included in their meeting packet. John explained that the IBNP

calculation is provided every year and provides an estimate of RAGHT's outstanding claim payments for services that have already been delivered to Plan Members but have not yet been paid by the Trust. The Trust's liability for the 2023-2024 Plan Year is estimated at \$1,676,000 which is a decrease of \$96,000 from the prior year, which was estimated at \$1,772,000.

Also an overview of the \$5.5M Target Reserve Level calculation as recommended by the Actuary was provided to Trustees.

Ryan Hackmann asked for a motion to approve the 2022-2023 IBNP report and Target Reserve recommendation as presented by Cheiron. Eric Lillis moved to approve to the 2023-2023 IBNP report and Target Reserve recommendation. Linda Watson seconded.

The motion was approved **16-0**.

### **9. Discussion, Consideration of and Possible Action Regarding Approval of the 2023-2024 Surplus/Deficit Allocation Report**

John Hatz provided an explanation on how the financial surpluses and deficits are calculated and distributed among the members on a monthly basis. John noted that the methodology has remained unchanged since the Trust was formed and includes no individual entity-specific loss sensitivity. The methodology is as follows:

1. Each entity pays their monthly premium.
2. The entity's net contribution is determined by subtracting the life insurance premium.
3. Each entity's net contribution is calculated on a percentage of the whole. This percentage changes from month to month.
4. Gallagher calculates the Trust's monthly net surplus/deficit by subtracting claims and administration expenses from income.
5. The surplus and/or deficit for the month is allocated to each participating entity in an amount equal to the net premium deposit percentage for each entity.
6. Interest income for the month is allocated in an amount equal to each entity's cumulative cash percentage as compared to the whole.

John asked Trustees to approve the report as presented.

Ryan Hackmann asked for a motion. Linda Watson moved to approve the 2023-2024 Surplus/Deficit report as presented and Kristie Allen seconded.

The motion passed unanimously **16-0**.

### **10. Discussion, Consideration of and Possible Action Regarding Offering of 2023-2024 Premium Holiday**

John Hatz stated that Trustees have previously allowed participating entities that had positive surplus balances to take Premium Holidays according to a Trust-approved formula. As of June

30, 2023, the Trust's unaudited surplus position was \$8,456,747. Traditionally, the Trust's Actuary recommends that the Trust have 5.5 months of expenses in financial reserves available in addition to the IBNP; for 2023-2024 this calculates to \$6,575,069. This provides the Trust \$1,881,679 for possible Premium Holidays. In the past Trustees have opted to utilize 50% for Premium Holidays which is approximately \$940,839. John also reminded Trustees that in the past years when the Premium Holidays were offered not all entities took advantage of the option. John discussed with Trustees that the recommendation the past two years was to not offer the Premium Holiday. Gallagher's recommendation is if Trustees were to offer a Premium Holiday to be conservative at the 50%. John noted that Trustees still had the option to approve any of the three options if they so choose to do so.

Ryan Hackmann requested a motion. Kandace French-Contreras made the motion not to offer a premium holiday. Linda Watson seconded the motion.

The motion passed unanimously **16-0**.

### **11. Discussion, Consideration of, and Possible Action Regarding Election of Officers for the 2023-2024 Plan Year**

Ryan Hackmann presented the election of Trust Chairperson and requested nominations. Eric Lillis made a motion for Ryan Hackmann to continue in that role. Kandace French-Contreras seconded the motion. No other nominations were made.

The motion was approved **15-0**.

Ryan Hackmann presented the election of Trust Vice-Chairperson and requested nominations. Linda Watson made a motion for David Coolidge to continue as Vice-Chairperson and Amy Putnam seconded the motion. No other nominations were made.

The motion was approved **15-0**.

Ryan Hackmann presented the election of Trust Treasurer. Amy Putnam nominated Linda Watson to continue as Treasurer. David Coolidge seconded the motion. No other nominations were made.

The motion was approved **15-0**.

Kandace French-Contreras made a motion that Gallagher continue as RAGHT's Recording Secretary. Linda Watson seconded.

The motion was approved **15-0**.

### **12. Administrative Update**

Amanda Weaver gave a brief overview of the following items with Trustees:

- LGIP Losses 2022-2023 Plan Year
  - Pool 5 – Gain of \$13,039 – Ending Balance - \$3,124,178
  - Pool 700 – Gain of \$17,432 – Ending Balance - \$6,363,091
- Change in Trustees/Alternate Trustees
  - An overview of the change in Trustees/Alternate Trustees for the previous quarter was provided.
- RAGHT EAP and Mental Health/Substance Abuse
  - An overview of who is eligible for EAP Services. Jorgensen Brooks Group can assist in finding In-Network Providers
- Mental Health and Substance Abuse
  - Gallagher will work to verify that RAGHT is compliant with federal requirements in regards to Mental Health Parity
- RAGHT's 10<sup>th</sup> PCORI Fee Payment
  - The PCORI fee was paid in the amount of \$4,185 and mailed on July 10<sup>th</sup>.
- RAGHT Monthly Premiums
  - Amanda reminded entities that as per the Trust ByLaws, all premiums are due in the exact amount by the end of the month in which they are due or a late fee will be assessed.
- RAGHT Member Terminations
  - Amanda reminded entities that all terminations must occur within a timely manner to ensure the Trust stays in compliance with COBRA regulations. Amanda also noted to entities that they could be liable for any claims if the termed member accrued claims outside of their term date.

### **13. Next Meeting Date**

The next Trust meeting is scheduled for November 30, 2023 at 8:30 a.m. via teleconference.

### **14. Call to the Public**

No public was present.

### **15. Individual Entity Updates**

No entity updates

### **16. Adjourn**

Ryan Hackmann asked for a motion to adjourn the meeting at 9:58 a.m. Eric Lillis made a motion to adjourn the meeting. David Coolidge seconded the motion.