



YAVAPAI COMBINED TRUST  
MEETING OF THE BOARD  
**MINUTES**

**Yavapai Combined Trust  
PUBLIC NOTICE  
Meeting of the Board  
Thursday, September 25, 2008  
9:00 AM**

**City of Prescott  
201 S. Cortez Street  
Prescott, AZ 86303**

The following Agenda was considered by the **Yavapai Combined Trust Board** at its Meeting held on Thursday, September 25, 2008, at 9:00 a.m. at the City of Prescott Downstairs Conference Room, 201 S. Cortez Street, Prescott, AZ 86303 Notice of this meeting was given pursuant to Arizona Revised Statutes, Section 38-431.02.

**I. Call to Order – Meeting called to order at 9:12 a.m.**

**II. General Business**

**a. Roll Call**

Board Members Present:

Jolaine Jackson, YCT Plan Administrator  
Rose Hurley, Yavapai College  
Alan Vigneron, Yavapai County  
Jan Hart, Yavapai County

Mark Woodfill, City of Prescott  
Herald Harrington, Yavapai College  
Dave Hunt, Yavapai County  
Judi Schafman, Town of Chino Valley

Other Attendees:

Shawni McAtee, YCT Support Staff  
Aaron Polkoski, Segal Co.  
Ted Hedberg, Healthwaves

Deb Webster, Yavapai College  
Wayne Carpenter, AEI

**b. Approval of Agenda**

Motion to approve agenda made by Dave Hunt, seconded by Alan Vigneron, approved unanimously.

**c. Approval of 6/26/08 Meeting Minutes**

Motion to approve minutes made by Dave Hunt, seconded by Rose Hurley, approved unanimously.

**III. Public Comments**

**IV. Presentation from Healthwaves – Wellness Program**

Ted Hedberg from Healthwaves presented a brief presentation of the 2008 spring wellness program. He stated that 2008 had the highest annual participation with a total of 904 participants and 35% of them were first time participants. Both the City and the College had increased participation this year. He also stated that the total percentage of Risk areas (smoker, cholesterol, blood pressure) has consistently gone down in the last three years of participation.

Total cost of the 2008 spring wellness program - \$81,975.50 / 904 participants = \$90.68 per person

Total of 904 participants --- cost included: option 1 (lab only) & option 2 (lab + biometric tests + counseling) screenings, PSA blood tests for men, CBC/Thyroid test for women, Osteoporosis screening (copy)

## **Presentation from Segal – Health Savings Accounts (HSA)**

Aaron Polkoski, Segal Company

Dave stated that he had an issue with discussing the HSA. He thought that it was premature to discuss the subject and that it should be brought up with other plan design changes.

Jolaine stated that she felt frustrated that the County declined to be involved in the HSA meetings and now doesn't want to discuss the matter after the committee has recommended that the Board discuss the issue.

Alan said that he thought the issue was still being discussed at a subcommittee level and thought that the issue would go to the advisory committee first.

Herald replied that he didn't think that it would hurt to at least see the presentation and then vote on entity interest.

Dave asked what kind of time frame was being discussed to implement.

Rose suggested that the group just look at the issue today as they should move slowly with any financial decisions but she also stated that there are 3 entities that are interested in learning more about the subject.

Dave asked again what the time frame was since there needs to be sufficient time to educate employees for a successful enrollment.

Aaron agreed with the statement that the group would need time to educate their employees. He stated that some entities start the process a year in advance.

Dave stated that there wasn't enough time to implement a HSA program for the upcoming July.

Aaron replied that there is not an exact start date; it is up to the group.

Judi stated that the subject needs to be presented today and the timeframe cannot be discussed until after the group has seen the presentation. She suggested that maybe a decision can be made in January.

Dave asked if the plan change recommendations will be ready for the January meeting.

Rose replied that she wasn't sure if we would really have any drastic plan changes.

Dave stated that he didn't want to vote on anything until he has seen the recommendations for plan changes.

Rose said that if the group decides to do something then it needs to be done right, so if we feel like we need more time then we can push implementation back to July 1, 2010.

Herald stated that the group is never going to be ready to make a decision until the subject is presented.

Aaron Polkoski from Segal went through the HSA presentation.

Herald stated that he has a HDHP/HSA with his company he uses them. He said that the Trust doesn't have to do a HSA right away or at all if they prefer. He asked if there would be any adverse selection for the group based on the financial projections. He also asked what the network would be and if the HSA account would be funded with the balance of money from the other plans. He asked if the group would want to move toward the HSA for the long term.

Mark replied that he believes that the program offers hope for the future with the rising costs of healthcare. He also thinks the group needs to move toward it now. The network will be the same as what we currently have with BC/BS. He doesn't think the program should be tied into the plan changes he believes it should stand on its own.

Dave wants to look at everything together as the County is not ready to make a decision.

Alan said that he sees this step as a radical change in philosophy and that there is a decision to be made as to where the money is going to go. Are we giving increases or paying more for healthcare. He doesn't believe that it's appropriate for the County employees.

Jolaine asked if the County's subsidy covered the whole premium for family.

Alan responded that it didn't but that the County does contribute more than other entities.

Jan said that she liked the idea as it promotes self responsibility and being a good consumer but agrees that the education would be a big process.

Alan stated that the employees may have a hard time taking on new items.

Herald said that the HSA puts the responsibility back on the individual not the insurance company. It took his smaller company a year to help the employees to understand. They had their HDHP up and rolling before they introduced the HSA.

Judi said that the group has been talking about an HSA for a long time and we need to do something about the health care costs. This provides another option. It stands alone. She said that any time you have more than one plan you will have adverse selection.

Rose said that the Trust will probably never go another year with out a premium raise. This is another option for our employees. It would be a benefit.

Herald stated that the plan changes would not be good news so it would be nice to offer something positive.

Rose said that she thought there was still a way to educate and implement by July 1<sup>st</sup>. She said that she would be able to talk to her management by December 1<sup>st</sup>.

Judi agreed that she would be able to as well.

Dave stated that the County would not be ready.

Rose asked if the whole board would have to participate.

Aaron replied that the Trust does as a whole but individual entities do not have to.

Jolaine asked Alan why the County doesn't want to offer it to their employees.

Alan replied that according to their demographics he doesn't believe they will have very much interest and that he was also concerned that catastrophic events would not be covered as much.

Jolaine stated that catastrophic events would be covered more under the HD/HP then the regular health plans.

The group agreed to come to the December meeting with more information and ready to make a decision.

**V. Discussion/Information Items**

- a. Financial Reports and End of Year Executive Summary  
Aaron distributed the financials and pointed out that the stop/loss came in better than expected. He also stated that the IBNR was projected at 3.1 million for the close of this year and that there were 27 claims over \$75,000.

Mark asked if we could look at setting the funding policy prior to setting rates. Does the group want to make any changes and what are the industry standards?

Jolaine suggested that we look at other options of funding at the January meeting.

- b. Advisory Committee Update  
The advisory committee update was sent out as an attachment via email and it reported that the MOM program was very successful, the flu shots have been scheduled, the website will be going through some reorganization, and the FSA reimbursement from the old company is due back to the Trust in 2 weeks.

Aaron mentioned that the Urgent Care on Willow Creek does not take BC/BS yet but they are working on it.

Jolaine said that a big complaint with this area is that doctors are not taking any new patients. Aaron and Jolaine have a meeting scheduled with a naturopath doctor that is trying to become BC/BS certified to see if they are accepting new patients.

- c. Discussion Regarding Health Savings Accounts (HSA)  
See above

- d. Discussion Regarding the RFP for Claims Audit  
Jolaine reported that the proposals submitted between Buck and Segal were very close. She asked if there were any recommendations.

Dave said he didn't see any reason to not take the low proposal.

Motion to approve Buck proposal for AEI claims audit made by Dave Hunt, seconded by Alan Vigneron, approved unanimously.

Jolaine stated that she would provide an update at the next meeting.

- e. Amendment #2 – Amendment of Medical Exclusion Language  
SPD Amendment 2 from 2007 was sent out as an attachment. It should be Amendment #2 for current plan year. Jolaine said that we will put it on the agenda for the next meeting.

- f. Discussion Regarding Trust Agreement Language
1. New Members Board Representation
  2. Plan Administrator Duties
  3. Advisory Committee Duties
  4. Board Duties

Dave was concerned that there was a comment on the agreement about a mandatory advisory committee and he doesn't think that we should be locked into it. He also had an issue with the proxy language because he said that it isn't legal and recommends it changed to alternates.

Rose said that Dean Pickett's office approved the language and she said that she didn't think that it was fair to lose her vote if she were sick.

Dave replied that an alternate could be designated.

Alan said that a proxy wouldn't be able to hear or participate in the discussion.

Jolaine asked what the group wanted to do.

Dave said that he would discuss the matter with Dean Pickett to determine legality and he would let the group know.

Jolaine asked about the groups thoughts regarding the Plan Administrator's Duties. She mentioned that there was no language in the agreement regarding money. Is there a specific dollar figure approved for appeals?

Dave asked how many appeals there were per year.

Jolaine replied there were usually a couple of appeals per year.

There was discussion regarding possible rewording and a specific dollar amount. Such as small claims or issue resolution. The group discussed a limit in the amount of \$2500 for appeals and \$2500 for other business related expenses.

Jolaine asked about board representation for new members, do they get a vote? She remembers a discussion at one time that the Trust wasn't going to allow that but the language doesn't say that. There is also a question as to the number of members. The group agreed to change the lowest amount to 50 and no vote from 50 to 99 with a grandfather clause for Chino.

Mark said that he had a comment on 6.1. We aren't currently doing what the agreement states and we need to try and reach that target.

Dave said that the language leaves it flexible to look at.

**VI. Action Items**

- a. Consider Addition of a Health Savings Account Plan  
No vote, further discussion at next meeting
- b. Consider Award of Contract for Claims Audit (AEI)  
Approve Buck Proposal

**VII. Next scheduled meeting January 23, 2009**

**VIII. Adjournment - Meeting adjourned at 1:26 p.m.**

Motion to adjourn made by Alan Vigneron, seconded by Rose Hurley, approved unanimously.

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Jolaine Jackson, YCT Plan Administrator

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Shawni McAtee, YCT Support Staff