

**LAKE HAVASU SCHOOLS EMPLOYEE BENEFIT TRUST**  
2200 Havasupai Blvd., Lake Havasu City, AZ 86403

**Trust Board Minutes**  
September 12, 2018

**SPECIAL MEETING:**

**1. Routine Opening of Meeting – Call to Order**

The Special Meeting of the Board of Trustees of the Lake Havasu Schools Employee Benefit Trust was called to order by Trust Chairperson, Marcia Cox, in the District Boardroom, 2200 Havasupai Blvd., Lake Havasu City, Arizona at 6:00 p.m. on September 12, 2018.

**1.1 Roll Call**

**BOARD MEMBERS PRESENT:** Marcia Cox, Chairperson  
Amy Barney, Trustee  
Hal Christiansen, Vice Chairperson  
Pat Rooney, Trustee  
Julie Sasseen, Trustee

**BOARD MEMBERS ABSENT:** Dr. Fadi Atassi, Trustee

**GOVERNING BOARD MEMBERS PRESENT:** John Masden, President  
Nichole Cohen, Vice President

**ADMINISTRATION PRESENT:** Diana Asseier, Superintendent

**OTHERS:** Susan Betz, ECA – Broker/Consultant  
Erin Collins, ECA – Broker/Consultant  
Courtney Heeley, Teladoc  
Storm Kinion, ECA – Broker/Consultant  
Joyce Perez, Gilsbar  
Jaime Schulenberg, ECA – Broker/Consultant  
10 Others

**1.2 Pledge of Allegiance/Moment of Silence**

**2. Call to the Public – Deferred to the end of the meeting regarding the closure of the clinic.**

**3. Old Business**

**3.1 Update on Void Contracts**

Ms. Schulenberg updated the Board on the review of contracts found to be void, including American Health Group, Ameritas, Gilsbar and National Cooperative/CVS. ECA is working with the Trust's legal counsel and the respective vendors and the contracts will be brought back to the board on 10/18/18 to either ratify or renew.

#### 4. New Business

##### 4.1 Teladoc Presentation

Mr. Collins introduced Courtney Heeley from Teladoc, who gave a presentation on a proposal to add telemedicine services to the Plan effective January 01, 2019. Teladoc is primarily in place for acute illnesses such as UTI's, pink eye, strep throat, etc. The providers are able to write prescriptions for non-narcotic medications and are available 24/7/365. The current proposal would provide Teladoc at no charge to the member.

The current proposal is for medical services only, however, there are three other options that will be researched further for consideration during the 2019-20 renewal:

- Dermatology;
- Sexual Health; and
- Behavioral Health.

Members can pre-register with Teladoc via a Smartphone (Android/Apple) or computer and access services through those same options. Members also have the choice to select a Spanish speaking physician.

Trustees had several questions, including:

- What age ranges are eligible to use Teladoc and what the physician requirements are to be contracted with Teladoc. Ms. Heeley confirmed that all age ranges are eligible to use Teladoc. The physicians are all board certified in their specialty and are required to have a minimum of 5 years practicing medicine.
- Whether Teladoc is available internationally; the patient can connect with a doctor, however, prescriptions are not available internationally at this time.
- Does Teladoc have the ability to peer review physicians if there are complaints/issues? Per Ms. Heeley, yes.
- Criteria for diagnosing illnesses; Ms. Heeley explained that each illness has a certain set of criteria and offered to provide some specifics for strep throat. She also reiterated that members could face time with a provider so that they could see the throat or any other areas of concern and that members could also provide pictures.
- How long Teladoc has been in business; 15 years with 1.5M consultations in 2017.
- The charge to the Trust for services - \$4.25/PEPM based on active employees. Ms. Heeley also noted that members could add family members to the portal even if they are not on the District's medical plan.

##### 4.2 Discussion and Possible Action re Alternative Benefit Plan Design for January – June 2019

Mr. Collins presented recommended plan changes for January 2019 through June 2019 in conjunction with the closure of the Health & Wellness Clinic. Those recommended changes include:

- Reduce Office Visit co-payment from \$55 to \$25 PCP / \$50 Specialist;
  - Break out Lab/X-Ray\* from 80% after Deductible to:
    - Free-Standing - \$50 Co-Pay then 100% and
    - Hospital-Based – Deductible and Coinsurance
- \*NOTE: Advanced Imaging (MRI, CT Scan, PET Scan, etc.) remains payable under deductible and coinsurance.
- Add Teladoc with No Cost to Members;
  - Change Sterilization to cover Vasectomy at 100% with no member cost-share;
  - Reduce Retail 90/Mail Order Prescription co-payments from \$25/Generic, \$105/Preferred Brand and \$195/Non-Preferred Brand to \$20/\$70/\$130.

Mr. Collins also provided Trustees with preliminary numbers and potential benefit changes for fiscal year 2019-2020. He reiterated that the 2019-2020 numbers are very preliminary and most likely will change due to claims, etc. The renewal meeting for 2019-2020 is tentatively set for 02/04/2019-02/05/2019.

A member of the public expressed concerns about her plan being paid at 100% when she retires. She advised the Trust that when she was hired she signed a contract and it was also part of the board policy, at the time, designating teachers to have their benefits paid at 100%. Ms. Barney communicated that it was board policy for all teachers hired prior to 2005 to have their benefits paid at 100% after retirement. There was discussion about possibly keeping the Silver plan for retirees.

Chairperson Cox requested any Call to the Public comments related to this item. She first read an email she received from a teacher regarding a High Deductible Health Plan option which expressed concern over being “forced” to enroll, as well as a concern over a proposed increase to the Urgent Care co-payment. Ms. Cox noted that if an HDHP was offered, the intent was that it would be an option and not replace the existing Gold Plan. She also noted that there was no recommendation to increase the Urgent Care co-pay through June 30, 2019.

Judy McClintock stood and read a prepared statement regarding the closure of the clinic. In her statement she said that on 03/06/18 the Governing Board approved an employee compensation package including an EBT contribution. Ms. McClintock said no such contribution had been made and that if it had, there might not be a \$472,000.00 deficit. At the 03/29/18 District Meeting with ECA it was discussed that the Trust had a contractual agreement with Cerner. At no time was there discussion of closing the clinic; then, the Friday before the Fourth of July holiday, there was an executive session during which the contract with Cerner was determined to be null and void. If Cerner would not lower the costs, there would be a 120-day wind down. Ms. McClintock says she now only has 4-months to find a PCP and come up with co-pays. According to Ms. McClintock 400 out of 800 employees use the clinic, which is not a small amount. Ms. McClintock also stated that it is clear for 3-years there were board members trying to get information on the clinic and that the goal was to close it. Ms. McClintock feels betrayed, sad, angry and feels the

Trustees let them down. She also questioned why there needed to be an EBT, brokers, attorneys, consultants, etc.

Governing Board members John Masden and Nichole Cohen commented on Ms. McClintock's statement, including:

- That the statement was about feelings, not facts;
- That in August, no one knew about the potential closure of the Clinic;
- That if employees are unhappy with the current plan, the Board could consider moving to the marketplace; and
- Reiterated that the Trust Board has a fiduciary responsibility to maintain the Trust in a responsible manner while the Governing Board's responsibility was to fund the plan.

Mr. Christiansen moved to accept the benefit plan changes for January 2019 – June 2019 as recommended, seconded by Ms. Barney and unanimously approved.

Ms. Cox presented information about scheduling an appointment for lab work online with LabCorp or Sonora Quest as well as information about locating a primary care physician.

5. Adjournment

Vice Chairperson Christiansen moved, seconded by Ms. Sasseen, to adjourn at 8:06 p.m.

Video of the entire meeting may be seen on the District website ([www.havasu.k12.az.us](http://www.havasu.k12.az.us)) under EBT Documents.

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Minutes of the Special Trust Board Meeting of September 12, 2018 are approved as submitted.

  
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Marcia Cox, Chairperson

  
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Hal Christiansen, Vice Chairperson