

MARICOPA COUNTY SELF-INSURED TRUST

BOARD OF TRUSTEES MEETING

301 W. Jefferson Street
Board of Supervisors Conference Room, 10th Floor
Tuesday, December 6, 2011
Meeting Time: 11:00 A.M.

OPEN SESSION

MINUTES

BOARD PRESENT: Susan Strickler, Dean Wolcott, Dan Robledo
Beverly DuPree

BOARD ABSENT: Brad Arnett, Jim Steinkamp

STAFF PRESENT: Meg Blankenship, Dave Hansen, Christine Stutz
(Attorney for the Board in place of Brandon Newton),
Curtia Hunter-Richard

GUESTS: Dr. Rudolph Cane, CIGNA
Ray Brandenburg, CIGNA

The Open Session meeting was called to order by Chairperson Strickler at 11:00 A.M.

Curtia Hunter-Richard distributed a presentation folder to each Trustee and Staff present, containing the following meeting materials: meeting agenda, Board of Trustees minutes from the November 1, 2011 meeting, Employee Benefits Trust Fund Financial Statements as listed in the Financial Review, and the Health and Welfare Benefits Presentation for FY 2012/2013.

Roll Call

Chairperson Strickler requested to dispense with a formal roll call, instead opting to identify those Trustees not present and confirming whether there is a quorum for the meeting. This change was agreed to by all in attendance.

Trustees Brad Arnett and Jim Steinkamp were not present.

Approval of Last Meeting's Minutes

Chairperson Strickler called for the approval of the November 1, 2011 meeting minutes. No changes were identified. The motion to approve the minutes was made by Trustee Dean Wolcott and seconded by Trustee Beverly DuPree. The minutes were unanimously approved.

Presentation: Financial Review

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

1. Statements of Revenues, Expenses, and Changes in Net Assets – YTD as of October 31, 2011
2. Statements of Net Assets – October 31, 2011, June 30, 2011 and June 30, 2010
3. Notes to Financial Statements October 2011
4. Fund Balance Roll-Forward Four Months Ended October 31, 2011

No questions or discussion ensued.

Presentation: Clinical Criteria for Bariatric Surgery

A request by Chairperson Strickler had been made during the November 1, 2011 meeting for information about the clinical criteria associated with bariatric surgery since it is an option that will be included under the benefit plans for FY2012/2013.

Dr. Rudolph Cane (in substitution for Dr. Keith Osborne) presented on behalf of CIGNA Healthcare the five types of bariatric surgery procedures that could be approved as medically necessary, the documentation process and the clinical criteria for approval. Based on the National Heart and Lung Institute criteria, CIGNA Healthcare requires that all of the following clinical criteria be met for bariatric surgery approval:

- 1) The candidate has reached 18 years of age or full skeletal growth
- 2) Evidence of any of the following:
 - (a) Type 2 Diabetes
 - (b) Poorly controlled hypertension despite optimal medical management
 - (c) Hyperlipemia or High Cholesterol
 - (d) Coronary Artery Disease
 - (e) Obstructive Sleep Apnea
 - (f) Pulmonary Hypertension
 - (g) Lower extremity lymphatic or venous obstruction
- 3) Failure of medical management including evidence of active participation within the last two years in a weight management program supervised by a physician or dietician for minimum of six months without significant gaps. The program must monthly document

components of weight, a current dietary program, and physical activity. Patients with long-standing morbid obesity (BMI greater than 50) have five years to show evidence of active participation in a program. Physician-supervised programs consisting exclusively of pharmacologic management are not sufficient to meet this requirement.

- 4) A thorough multidisciplinary evaluation within the previous twelve months which includes:
 - a) Evaluation, description of the proposed procedure and associated CPT codes by the bariatric surgeon recommending surgical treatment.
 - b) Medical evaluation & clearance by a physician other than the recommending surgeon.
 - c) Unequivocal clearance for bariatric surgery by a mental health provider (psychologist or psychiatrist).
 - d) Nutritional evaluation by a physician or registered dietician.

The question from Chairperson Strickler in regard to the prior requirement that a patient be under a doctor's care was addressed and clarified. The doctor's status could be Primary Care Physician, consistent with Internal Medicine physician, or a family practice doctor would satisfy the "prior doctor's care" requirement for the evaluation process.

The question from Chairperson Strickler in regard to who would be able to initiate the process for patients to be considered and approved for bariatric surgery procedures covered by CIGNA was addressed and clarified. The process for patients to be considered for the procedure could be initiated by the primary care physician or one of the specialists on the patient's care team.

The question from Trustee DuPree as to whether bariatric surgery would be recommended for patients with a potential high risk critical disease, such as heart disease, was addressed and clarified. It was confirmed that a cardiologist would be likely to recommend bariatric surgery when the benefit of the weight loss would out-weigh the risks to a patient. In addition, an orthopedic surgeon or neurosurgeon would likely initiate the recommendation for weight loss and/or bariatric surgery as follow-up procedures to a hip or knee replacement since the condition could re-occur if the underlying cause was obesity.

The request from Chairperson Strickler to outline the psychological evaluation process associated with bariatric surgery was addressed and clarified. Many programs address a patient's psychological needs prior to and following the bariatric surgery. A psychological evaluation is given to identify any emotional or behavioral issues that need to be addressed with counseling or pharmaceutical intervention. If a patient is identified with issues that would lead to poor outcomes, clearance would not be given and a plan of care developed by a

psychologist or psychiatrist would need to be satisfied within a documented time period prior to approval.

The question from Chairperson Strickler in regard to the approval and denial process CIGNA utilizes for bariatric surgery was addressed and clarified. The process begins with a request to the CIGNA Prior Authorization Department and approval or denial is determined by a Medical Director. If denied, three levels of appeals are afforded for due process which usually require additional information to be submitted and reviewed. If and when a denial is upheld, the patient and recommending surgeon are provided with documentation on the denial rationale.

The questions from Trustees Wolcott and DuPree in regard to the low and high range of costs associated with bariatric surgery were addressed and clarified. The least invasive procedure, lap band for example, would be at the low end of the spectrum at approximately \$6,000 - \$8,000. The more invasive surgeries, or a procedure with complications, could possibly be in the \$13,000 - \$19,000 range depending on the need for hospitalization. Though mortality rates have decreased to less than 1%, complications and catastrophic cases were identified as factors that could potentially impact surgery expense.

By request from Trustee DuPree, the presenting CIGNA doctor clarified his identity as Dr. Rudolph Cane, Jr., Internist.

Presentation: Health and Welfare Benefits for FY 2012/2013

Meg Blankenship, Benefits Manager and Dave Hansen presented the Health and Welfare Benefits for FY 2012-13. The overview included an update to plan design recommendations that would streamline plan benefits, reduce employee confusion, and contain costs for both the plan and employees.

The question from Trustee Dan Robledo as to whether specialty drugs covered by the plan design recommendations would mean a change from generic medications was addressed and clarified. Generic medications continue to be a means for keeping pharmacy costs contained. Specialty drugs were identified as brand name drugs which are very expensive, such as Humira for treatment of the condition rheumatoid arthritis. Less expensive and more convenient options to help contain costs are being considered based on where employees get their specialty medications, such as a primary care physician office or at home.

The question from Trustee DuPree on whether the FY 2011-12 Employee Monthly Premiums (slide 7) reflect the current premiums for the current plan year was addressed and clarified. It was confirmed that the rates reflected are for FY 2011-12 and the rates would be adjusted to reflect the plan design changes as recommended and approved for FY 2012-13. Premiums for FY2012-13 were covered on later slides in the presentation.

Mention was made about the agreement with the University of Arizona to provide care through a holistic, integrative medicine clinic in downtown Phoenix. The clinic would be added as a provider under the County's medical plans, the Open Access Plus Plan and Choice Fund Medical Plan with a Health Savings Account.

A request was made by Trustee Wolcott for a presentation about the integrative medicine clinic during the next Board of Trustees meeting to include information about the impact of the agreement on County employees, the defined costs and the agreement to share health history with the university.

Questions from Chairperson Strickler as to the number and locations of the integrative medicine clinics were addressed and clarified. It was confirmed that one clinic located at the Luhrs building in downtown Phoenix would be servicing our population.

The question by Trustee DuPree on wellness incentives that might be included to help offset premium increases was addressed and clarified. Premium reductions currently offered to employees would continue to be an option for FY 2012-13. The County is also exploring the option of providing opportunities for fitness and wellness discount offers to County employees and eligible dependents.

A request was made by Trustee Wolcott that the rates slides in the Health and Welfare Benefits for FY2012-13 power point presentation be sent via email to the Trustees since the document as included in the presentation folder was too difficult to read due to the font size. Meg Blankenship agreed to email the presentation to all board members.

The question by Trustee DuPree in regard to the reason the County chooses to opt out of the federal mandated Mental Health Parity was addressed and clarified. The County plans to continue to opt out of Mental Health Parity since the County's behavioral health plan is richer than required which benefits employees.

The question by Trustee DuPree in regard to employees' options to participate in the health and wellness initiatives, such as the biometric screening, health assessment and the saliva test was addressed and clarified. Premium reductions are offered to encourage employees to focus on health and wellness. Employees can participate in one or all of the wellness initiatives and are not required to complete them all before they can receive a premium reduction for having completed only one wellness initiative.

The question by Chairperson Strickler regarding the plans to brief the Board of Supervisors on the FY 2012-13 benefits plan design was asked and clarified. It was confirmed that the Board of Supervisors will be briefed the week of December 12, 2011. The benefits plan design will be on the formal meeting agenda for the Board of Supervisors in early January.

Board of Trustees Meeting Schedule for Calendar Year 2012

A discussion ensued regarding the Board of Trustees meeting schedule for the calendar year 2012. It was determined that the January 3rd meeting date would be moved to January 10th and the board would continue to meet monthly. Quarterly meetings will be considered in the future.

Call to Public

Chairperson Strickler made a call to the public.

Dr. Rudolph Cane made the recommendation to include coverage to address excess skin removal surgery should the County benefits plans include bariatric surgery. This is based on the success of bariatric surgery. With weight loss, a patient would have excess and overhanging skin that might cause other health conditions such as skin irritations.

Motion to Adjourn

Chairperson Strickler noted the next meeting will be scheduled for January 10, 2012 and called for a motion to adjourn. The motion to adjourn was made by Trustee Wolcott and seconded by Trustee DuPree. The motion passed unanimously.

The meeting was adjourned at 12:01 PM.