

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Monday, January 22, 2024

9:30 am at BeneSys Office, Troy, MI via In-Person and via Conference Call

Trustees:

Chet Opolski
Richard Kosmack
Dan Bojalad
Tracy Shippy
Greg Trozak

Role:

Chairman
Trustee
Trustee
Trustee
Trustee

Others present: Brian Green, AndCo., Financial Consultant

LaDominic Brandon Berkley, Priority Health
Floyd Allen, Trustee (via phone)
Brian Roehl, Trustee (via phone)
Louis Sinagra, Member (via phone)

Legal Representation: Francis Judd

BeneSys Representation: Violet Gjorgjevski and Jennifer Crosby

The meeting was held In-Person at the BeneSys Office, Troy, MI

The meeting was called to order by Chairman Opolski at 9:30 am.

Motion – To accept the agenda for January 22, 2024: *By D. Bojalad, seconded by T. Shippy.*

- Motion Carried – Unanimously

Public Comment – None

Priority Health – LaDom Brandon Berkley

Ms. Berkley stated that she followed up regarding the Annual Notice of Change (ANOC) mailing to those members who were previously enrolled with Priority Health per Mr. Opolski's request. For HMO participants the ANOC was mailed on December 26, 2023. For PPO participants the ANOC was mailed on January 15, 2024. Discussion took place regarding a marketing mail-out to participants letting them know that the \$50 buy back credit has been provided to them by the

Trust. This mail-out will also provide reminders regarding the Wellness Check and OTC program programs as well.

Regular Minutes

Motion – To approve the Regular Meeting Minutes from December 18, 2023, and the Admin Committee Meeting Minutes from January 8, 2024: ***By G. Trozak, seconded by R. Kosmack.***

- Motion Carried – Unanimously

Financial Consultants

A. Maturities List

Mr. Green provided the Board with a maturities list for their review and knowledge. He stated that he is still working with Fifth Third on getting the gain/loss information accurately reported.

B. Asset/Manager Summary

Mr. Green reviewed the Asset/Manager summary with the Board. Cash flow needs were discussed. It was recommended that any maturities from Eaton Vance and PIMCO not be reinvested for 2024. Rather have those funds distributed back to the cash account to cover benefit payments.

Motion – That any maturities from Eaton Vance and PIMCO be distributed back to the cash account rather than be reinvested to cover benefit payments: ***By G. Trozak, seconded by T. Shippy.***

- Motion Carried – Unanimously

Financial Reports

BeneSys provided the December 2023 Fifth Third Statement and the November 2023 Financial Statements for review.

Motion - pay the Bills for Approval: ***By D. Bojalad, seconded by R. Kosmack***

Administrative Reports/Administrative Committee Report

A. Appeals

a. 2823825582

At the last Board meeting this Appeal was tabled for an additional 30 days to allow time for the Guardian to respond with the requested documentation. Ms. Crosby updated the Board that BeneSys has received the requested documentation from the Guardian's office.

Motion – To approve of the Appeal for participant 2823825582 for enrollment in Priority Health effective February 1, 2024, and Dental/Vision coverage effective March 1, 2024, pending confirmation by Legal Counsel of Guardianship and page 2 of the 2024 enrollment form from the Guardian's office: ***By D. Bojalad, seconded by R. Kosmack.***

- Motion Carried – Unanimously

b. 2742627458

Motion – To approve of the Appeal for participant 2742627458 for enrollment in HRA effective January 1, 2024, per the recommendation of the Admin Committee: ***By G. Trozak, seconded by R. Kosmack.***

- Motion Carried – Unanimously

c. 2796374284

Motion – To approve of the Appeal for participant 2796374284 for spouse to have 2022 HRA Reimbursement paid per recommendation of the Admin Committee: ***By D. Bojalad, seconded by R. Kosmack.***

- Motion Carried – Unanimously

d. 2826801009

Motion – To approve the Appeal for participant 2826801009 for enrollment in HRA effective January 1, 2023, per recommendation of the Admin Committee: ***By T. Shippy, seconded by G. Trozak.***

- Motion Carried – Unanimously

e. 2718254298

Motion – To approve the Appeal for participant 2718254298 for spouse's enrollment in HRA effective January 1, 2023: ***By R. Kosmack, seconded by T. Shippy.***

- Motion Carried – Unanimously

B. BeneSys Claims Performance Report 4th Quarter 2023

Ms. Crosby reviewed the fourth quarter 2023 claims performance report with the Board. She informed the Board that BeneSys did meet the performance guarantee for claims performance for the fourth quarter of 2023.

Legal Report

A. HRA Reimbursement Rules

Mr. Judd reviewed with the Board that Sections 105 and 125 of the Internal Revenue Code require the substantiation of all qualified medical expenses as a precondition of payment or reimbursement. IRS Notice 2006-69 recognizes the availability of direct third-party substantiation of HRA claims (e.g., an EOB from an insurance company). Notice 2006-69 also indicates that a statement from a treating physician is acceptable for purposes of substantiating a claim for reimbursement under an HRA. Accordingly, it is my opinion that an invoice or statement from a treating physician is an acceptable form of substantiation under the HRA, provided that the invoice or statement includes the following information: Provider's name; Date of service(s); Recipient of service(s); Description of service(s); and the amount owed by the recipient of the service(s).

Motion – As recommended by the Admin Committee, update the 2024 HRA Claim Form and claims process to permit verification of claims with physician invoices or statements, provided that the invoices and statements include the information specified above: ***By D. Bojalad, seconded by G. Trozak.***

- Motion Carried – Unanimously

B. Rules of Procedure

Mr. Judd provided an updated Rules of Procedure for the Board. This update is to accommodate Michigan Public Act 214 of 2023 (H.B. 4346) Open Meetings Act Amendments that will become effective on February 13, 2024.

Motion – As recommended by the Admin Committee, to adopt the restated Rules of Procedure, as revised: ***By T. Shippy, seconded by D. Bojalad.***

- Motion Carried – Unanimously

Mr. Judd provided an update regarding the DOL VEBA Grant Program. Notification was received that the \$10M available through the Grant Program will be equally split between the 4 City of Detroit VEBA's. So, this VEBA will be eligible for approximately \$2.5M. He is not sure when those funds will become available.

Correspondence – None

Business Agent Report

Chairman Opolski informed the Board that he has been maintaining the day-to-day business for the members. He brought with him the letter he received from the Social Security Administration regarding the second deposit in January for the Medicare Part B Credit. He was pleased with the letter's explanation of what happened causing the second deposit, but he didn't like that it wasn't identified that the VEBA is where the Medicare Part B Credit is coming from. As discussed earlier in the meeting, Ms. Berkley will be working on marketing materials to be sent out to members letting them know this.

New Business - None

Unfinished Business

A. Member Complaint Follow Up

Mr. Opolski had shared some correspondence with a member after having sent one of his Newsletters at the Admin Committee Meeting. After discussion of the members concerns it was decided that Ms. Crosby would reach out to the member to fully explain the benefits available to him and his spouse. Ms. Crosby updated the Board regarding the conversation she had with the member and his spouse. It was a very good conversation, and she is working with them toward fully utilizing the benefits they have available to them.

B. HRA Administrative Check Fee

Ms. Crosby had informed the Admin Committee that the first HRA check run for 2024 was being delayed because when the Admin Fee was taken from each check those members ended up with a negative balance. At today's meeting she updated the Board that the issue was resolved, and the first check run was completed on January 11, 2024, with success.

C. Direct Deposit Letter/Form Included with Checks for Jan/Feb 2024

Per the Board's request the Direct Deposit Letter/Form is being included with checks, Ms. Crosby confirmed that this has consistently been taking place.

D. 2024 HRA Form Supporting Documentation Verbiage Final Draft

Ms. Crosby presented the final draft of the updated 2024 HRA Form that shows the requirements for supporting documentation as provided by Legal Counsel.

Motion –to adopt the updated 2024 HRA Form, as revised: ***By D. Bojalad, seconded by T. Shippy.***

- Motion Carried – Unanimously

E. DOL re VEBA Grant Program

This matter was discussed during the Legal Report.

Trustee Comment/Open Forum

Adjournment

Motion – to adjourn: *by R. Kosmack, seconded by G. Trozak.*

- Motion Carried - Unanimously

Meeting adjourned at 10:29 am.