

Police and Fire Retiree Health Care Trust Meeting

October 26, 2015

Minutes of the Board of Trustees

Greg Trozak
Greg Best (Excused)
Floyd Allen
Tom Sheehan
Shirley Berger

Chairman
VP/ Recording Secretary
Andy Dillon
John Clark
Chet Opolski

Chairman Trozak called the Board meeting to order at 9:35 a.m. Roll Call of Trustees was held and a quorum was present. Legal representative Arron Castle was present along with representatives of (ABS) Automated Benefit Services

Motion- To accept the agenda dated October 26, 2015, by Trustee Opolski, seconded by Trustee Clark - Motion carried

Motion- To approve the minutes for October 12, 2015, as revised, by Trustee Sheehan, seconded by Trustee Opolski - Motion carried

Per the RHC Trust's rules and procedures, separate minutes from the October 12, 2015 Executive Session of the Board were prepared and presented to the Board.

Motion- To approve the Executive Session minutes for October 12, 2015, by Trustee Clark, seconded by Trustee Sheehan - Motion carried

Correspondence

Board received Bank Statements of Fifth Third Bank and Wilmington Trust Statements for review. Trustees have requested a monthly update/market valuation on the B-Notes held by Wilmington with each monthly account statement.

Invoices

The board received invoice # 10032073 from Navia Benefits Solutions for a HRA payment of \$10,416.25.

Motion- To authorize payment by Trustee Sheehan, seconded by Trustee Clark - Motion Carried.

City Open Enrollment

General Counsel was contact by Segal requesting permission to include the RHC Trust's website and customer service telephone number for ABS on the city's open enrollment website. After discussion, it was agreed to allow the City to include the requested info, albeit on the condition that it be made clear that the coverage provided by the RHC Trust is only applicable to Police & Fire retirees with a retirement date on or before December 31, 2014.

Motion- To authorize City/Segal to provide accurate RHC Trust website and customer service information on its open enrollment website, by Trustee Opolski, seconded by Trustee Sheenan. Motion carried.

Trustee Compensation

General Counsel informed the board that Mr. VanOverbeke had spoken with RDPFFA special counsel, Chris Legghio, regarding the matter of Trustee compensation. Mr. Legghio indicated that he would discuss the possibility of a mutually agreeable resolution with his client and respond.

Plan Documents

General Counsel will finalize the official benefit structure to be sent to the IRS by March 31, 2016. The document that we have now is the trust agreement; however the plan document will be more detailed.

Health Reimbursement Accounts (HRA)

HRA claims reimbursements have been processed through October 20, 2015.

Motion – To authorize approval of a \$200,000 transfer to cover HRA Plans for November 2015 authorized by Trustee Sheehan, seconded by Trustee Opolski - Motion carried.

ABS Update

Our TPA representatives updated the trustees in the open enrollment process. There were approximately 400 retirees that attended the presentation by Aetna, Hap, Deltal Dental and VSP. Approximately 100 retirees had enrolled to date.

Benefit Rules

There was a brief discussion of marriage after retirement. Spouses married after retirement date of retirees are not eligible for medical coverage.

Motion- by Trustee Clark, seconded by Trustee Opolski - Motion carried.

Discussion followed regarding coverage eligibility for disabled dependents under the RHC Trust's Medicare Advantage Plans. Sample dependent eligibility language was requested from ABS.

GRS Actuary Update

Eric Pierre discussed an update as it related to Aetna's agreement with the Police and Fire RHC Trust. In the agreement, Aetna had a misunderstanding of the benefit plan requested through the procurement vs. what they quoted for the \$116.33 per member per month (PMPM) rate. While they committed to matching the plan as it's currently administered, they priced it as the deductible applying before any copays. Upon discussing, they immediately got approval and set up the plan to administer as we requested – no impact to the retirees at all. However, the change resulted in a \$6.37 PMPM increase in their pricing model. They're offering to concede most of that additional premium but are asking the Trust to accept a \$2.00 PMPM increase to 2016 rates and a another \$2.00 PMPM increase to the 2nd year cap. The increase to \$118.33 PMPM in 2016 would cost the Trust an additional \$135,000 based on current enrollment. However, Aetna's proposal would still be better financially than any other received through procurement and still save the Trust approximately \$2.1 million over 2015 rates with BC/BS of MI. Mr. St. Pierre recommended the Trust agree to the \$2.00 PMPM increase in 2016 in the spirit of partnering and meeting Aetna in some middle ground on their misunderstanding. Mr. St. Pierre did not recommend considering their request to increase the 2nd year cap.

The Trustees requested Mr. St. Pierre draft a letter summarizing what occurred and his recommendation.

Motion – by Trustee Opolski, seconded by Trustee Clark

Next meeting Date – November 9, 2015 @ 9:30 am at 8220 Irving Road, Sterling Heights, Michigan - Office of ABS

Motion - Meeting adjourned at 12:10 p.m. by C. Opolski and seconded by J. Clark - Motion carried.

Respectfully Submitted,

Shirley A. Berger