

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Tuesday, July 23, 2024

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

<u>Trustees:</u>	<u>Role:</u>
Chet Opolski	Chairman
Tracy Shippy	Vice-Chair
Richard Kosmack	Trustee
Dan Bojalad	Trustee
Greg Trozak	Trustee
Brian Roehl	Trustee
Floyd Allen (via phone)	Trustee

Others present: LaDom Brandon Berkley & Rob Roberts, Priority Health (via Teams)
Brian Green, Mariner
Louis Sinagra, Member (via phone)

Legal Representation: Aaron Castle

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 July 23, 2024: *By D. Bojalad, seconded by T. Shippy.*

- Motion Carried – Unanimously

Public Comment – None

Priority Health – LaDom Berkley & Rob Roberts

Mr. Roberts updated the Board regarding the previously discussed concern with increased Prior Authorization requests and denials. He stated that they are working diligently to soften the language to communicate to the members and have a team that is working on an educational flyer. They will have this flyer available at the next meeting for review and approval.

Mr. Roberts went on to discuss that due to Ms. Berkley's internal negotiations they can offer a flat renewal for 2025. This means that to keep benefits as is, there will be no increase in premiums for next year. Discussion took place regarding potential benefit enhancements that the Board could make because of this flat renewal. In addition, Ms. Berkley stated that she was also able to obtain a 5% max annual increase for the lifetime of the relationship between the VEBA and Priority Health.

Lastly, discussion took place regarding the Priority Health call center during the weekends. If a non-urgent call comes in over the weekend the member will receive a call back on Monday. If the matter is urgent a call back will be received within two hours. The Board would like to have a better explanation of this given to the members in the way of education. Mr. Roberts stated that he will work on that and report back.

Regular Minutes

Motion – To approve the Regular Meeting Minutes from June 25, 2024, the Admin Committee Meeting Minutes from July 8, 2024: ***By G. Trozak, seconded by R. Kosmack.***

- Motion Carried – Unanimously

Financial Consultant – Brian Green, Mariner

Mr. Green provided a data summary and analysis at the Board's request. This summary looked at worst-case scenarios showing the results of the two worse 10-year periods historically and laying them out to the next ten years. He reviewed how having negative annual return years could impact the fund overall in different scenarios. He then broke this down further by potential increases in benefit costs. The purpose of looking at the worst-case scenarios was to assist the Board in providing due diligence before final decisions to benefit enhancements are made for the security of the fund overall. Extensive discussion took place.

Mr. Green went on to make a recommendation for a rebalance of the portfolio. Discussion took place.

Motion – To reduce the investment in Hamlin Equity Income by \$1.5M, reduce Reinhart Partners by \$1.5M, reduce Fidelity International by \$6.3M and move to Cash account for future benefit payments: ***By B. Roehl, seconded by R. Kosmack.***

Motion – To ratify the funding of \$2M to Monroe Capital Fund V completed by Chairman Opolski: ***By G. Trozak, seconded by D. Bojalad.***

Financial Reports

BeneSys provided the June 2024 Fifth Third Statement as well as Financial Statements for May 2024.

Motion - pay the Bills for as provided: ***By B. Roehl, seconded by T. Shippy.***

Administrative Reports

A. BeneSys Claims Performance Report – 2nd Quarter 2024

Ms. Crosby reviewed the second quarter 2024 claims performance report with the Board. She informed the Board that BeneSys did meet the performance guarantee for claims performance for the second quarter of 2024.

B. BeneSys Claims Accuracy Report – 2nd Quarter 2024

Ms. Crosby reviewed the second quarter 2024 claims accuracy report with the Board. She informed the Board that BeneSys did meet the performance guarantee for claims accuracy for the second quarter of 2024.

C. BeneSys Telephone Response Time Report – 2nd Quarter 2024

Ms. Crosby reviewed the second quarter 2024 telephone response time report with the Board. She informed the Board that BeneSys did meet the performance guarantee for telephone response time for the second quarter of 2024.

D. BeneSys Member HRA Overpayment Letter

Ms. Crosby informed the Board that it was discovered that a member who is enrolled in Priority Health and should not have an HRA submitted an HRA Claim in May 2024, and the claim was reimbursed in error. This member received a reimbursement of \$33.00. A letter, which was presented to the Board, was mailed to recoup these funds. An investigation is taking place to determine why/how this occurred.

E. BeneSys Notice Regarding Plan Year Changes

Ms. Gjorgjevski reviewed a Memo from BeneSys that serves as a reminder that plan year changes for retiree benefits need to be finalized and submitted to BeneSys by October 1st annually to allow sufficient time to process the request, update procedures, train staff and communicate effectively with members. In addition, some plan year changes may require implementation fees due to the complexity involved. Ms. Gjorgjevski stated that most of the plan year changes for the VEBA would not have an implementation fee, but timely submission is very important to the overall success of the VEBA and BeneSys.

F. TruHearing

Ms. Gjorgjevski provided the Board with information regarding a benefit that is offered by TruHearing, not in partnership with Priority Health, that could give hearing aid discounts to members utilizing the HRA. The Board stated that they would like a representative from TruHearing to come and present to the Admin Committee so they can find out the details of this program.

G. Appeals

a. 2704124189

Motion – To approve the Level 2 Appeal for participant 2704124189 to allow their enrollment in Medicare Opt-Out HRA effective January 1, 2023, and allow that their 2023 HRA Reimbursement to be processed after the March 31, 2024, deadline as recommended by the Admin Committee: ***By T. Shippy, seconded by B. Roehl.***

- Motion Carried – Unanimously

b. 2754121360

Motion – To approve the Level 2 Appeal for participant 2754121360 to allow member and spouse submission of 2023 HRA Reimbursement to be processed after the March 31, 2024, deadline as recommended by the Admin Committee: ***By T. Shippy, seconded by R. Roehl.***

- Motion Carried – Unanimously

c. 2844974745

Motion – To approve the Level 2 Appeal for participant 2844974745 to allow their 2023 HRA Reimbursement to be processed after the March 31, 2024, deadline ONLY, the 2022 HRA Reimbursement request was denied as being untimely per recommendation of the Admin Committee: ***By T. Shippy, seconded by B. Roehl.***

- Motion Carried – Unanimously

d. 2705106856

Motion – To deny the Level 2 Appeal for participant 2705106856 to have 2022 HRA Reimbursement processed after the March 31, 2023, deadline due to the request being untimely: ***By T. Shippy, seconded by B. Roehl.***

- Motion Carried – Unanimously

Legal Report

A. BCBS of Michigan RFQ Response

Mr. Castle provided the Board with BCBS of Michigan's response to the RFQ. BCBS of Michigan offered coverage at a cost that was higher than Priority Health's renewal quote . Discussion took place. Mr. Castle confirmed that the Board has done their due diligence to provide the best benefits at the most reasonable cost for their members. Mr. Castle stated that should the Board decide to go through this process again in the future it would be his recommendation to start the process earlier and engage Manquen Vance.

Motion – to continue to provide coverage for members through Priority Health PPO and HMO options for 2025 benefit year: ***By T. Shippy, seconded by R. Kosmack.***

6 – Yea 1-Nay, Brian Roehl

- Motion Carried

Motion – to renew contracts with Priority Health with the flat renewal rate, increase the Medicare Part B Credit by \$25, decrease the PT/OT/ST/Cardiac Therapy Copay to \$0 per visit, decrease the Specialist Visit Copay to \$5 per visit, increase the HRA by \$25, not to exceed \$400 per month: ***By T. Shippy, seconded by R. Kosmack.***

- Motion Carried

Correspondence - None

Business Agent Report

A. COPS Trust Dental Renewal Rates

Mr. Opolski stated that he received the Dental and Vision renewal information from Mr. Schneider with COPS Trust. Mr. Schneider stated there would be no increase in premium for Vision Coverage. For Delta Dental there will be an increase for both the Low Plan and the High Plan. Discussion took place and the Board stated that since COPS Trust is the provider of the Dental/Vision benefits they will need to determine the agreement with Delta Dental and inform the Board of what the premium rates will be for 2025.

New Business

A. Capital Call Funding

This item was discussed during the Financial Consultant report.

Unfinished Business

A. Roehl Analysis

This information was discussed during the Financial Consultant report and analysis.

B. GRS Supplemental Projections

This information was provided to assist the Board in decision making regarding 2025 benefit renewals.

C. Priority Health Renewal Information

This information was provided previously, and new information was provided by Priority Health today and discussed during their presentation.

D. COPS Trust Vision Renewal Rates

Mr. Schneider has stated to Chairman Opolski that there will be no change in the Vision premium rates for 2025.

E. Open Enrollment 2025

This item is for ongoing discussion.

Trustee Comment/Open Forum

Discuss took place regarding having COPS Trust assist in the cost of Open Enrollment Materials being mailed. It was determined that the VEBA would continue paying these costs.

Mr. Castle stated that at the Admin Committee meeting the Business Agent Agreement was discussed. Recommendation was made by the Admin Committee to change the language to allow 5% rate increases periodically rather than annually.

Motion – As recommended by the Admin Committee to have Mr. Opolski continue as the Business Agent for the Trust and that his compensation be increased by 5% effective August 1, 2024: ***By B. Roehl, seconded by D. Bojalad.***

5 - Yea 1 – Nay, Mr. Opolski 1 – Abstain, Mr. Allen

- Motion Carried

Adjournment

Motion – to adjourn: ***by T. Shippy, seconded by R. Kosmack.***

- Motion Carried - Unanimously

Meeting adjourned at 11:48 p.m.