

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Monday, March 25, 2019

9:30 am at RDPFFA Office Sterling Heights Michigan

Conference Call in: 1-866-730-7512 Access Code 700275 Host 484296

Trustees:	Chet Opolski	Chairman
	Dan Bojalad	Trustee
	Brian Roehl	Trustee
	Tracy Shippy	Trustee
	John Barr	Trustee
	Floyd Allen – (via phone)	Trustee
	Andy Dillon – (via phone)	Trustee

Others present: **Burton Carlson (via phone); James Pranschke; Amy McClendon (via phone)**

Legal Representation: Aaron Castle

BeneSys Representation: Samarah Murray

The meeting was held at the offices of the Retired Detroit Police & Fire Fighters Association, 2525 E. 14 Mile Rd., Sterling Heights, Michigan 48310.

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

Motion – To accept the agenda for March 25, 2019: By B. Roehl , seconded by T. Shippy.

- Motion Carried – Unanimously

Public Comment

- None

Regula Agenda

Motion – To approve the meeting minutes from February 25, 2019: By B. Roehl, seconded by J. Barr

- Motion Carried - Unanimously

Motion – To approve the Administrative Committee meeting minutes from March 11, 2019: By J. Barr, seconded by B. Roehl

- Motion Carried – Unanimously

Graystone Consulting – Burton Carlson (via phone)

Mr. Carlson updated the Board regarding the market value of the B Notes and recent trade activity noting that there has been (1) trade in 2019, and the current Bond valuation is remaining steady. Per J.J. Kenny Drake, the current Bond price is \$87.02. The price is a bit down since last month's total of \$87.25. Mr. Carlson also noted, that he reached out to a few Bond dealers since the last meeting to obtain some indicative pricing information.

The Board was provided with a cash flow analysis through the 2020 calendar year. Mr. Carlson noted that the total benefit payments for 2019 and 2020, are based on the GRS actuarial report, December 31, 2016, Appendix – 1, which was then adjusted based on the plan design changes that are scheduled to be implemented (increasing claims cost for the year 2018 by an estimated \$2,056,000 and for the year 2019 by \$2,415,000 per GRS letter dated January 19, 2018).

Benefit Consultant – GRS – Amy McClendon (via phone)

Together Jim Pranschke (in-person) and Amy McClendon, presented a 2020 renewal overview and timeline for future benefits. Mr. Pranschke discussed key perspectives to consider for the Plan Year 2020 Rates, and what the next steps would look like as it relates to a project plan and timeline going forward.

Historically the typical process has been to issue an RFP requesting vendors to submit their proposed rates every two years. The RFP would include a rate cap to protect against future increases, and request quotes for the following scenarios:

- Full replacement – All members transitioned into a single HMO or PPO Vendor
- Slice offering – Several vendors offered alongside one another

Noting that in the past, the Trust has only offered a single vendor for each the HMO and PPO. In year two of the contract, the vendor provides their proposed renewal rate and shows detail regarding its development. To conclude, documents are reviewed a second time by the Trust and by GRS, and if necessary, follow-up with vendor to request revision/explanation.

Noting Aetna provided a rate cap of \$17 for 2020.

GRS discussed factors impacting MAPD Rates: existing medical claims experience of the group, medical & prescription drug trend – projected increases in cost and/or utilization, plan design changes, and taxes and fees. Noting that the HIF Fee will impact Medicare Advantage Rates. This fee was suspended for 2017 & 2019 calendar years. As of now, the HIF Fee is expected to be reinstated in 2020 & would result in increases to premiums.

Upcoming Deadlines:

- Final CMS Rate Announcement & Call Letter on April 1, 2019. This letter is published annually, draft issued on January 30th, and informs plans & other stakeholders of changes to MA and Part D payment methodologies & Policies.
- Aetna to provide 2019 year-end reporting in mid-April. GRS will review for any areas of concern. GRS may identify potential communication opportunities or recommendation of plan design changes.

Project Plan and Timeline:

- GRS will review year-end reporting & provide a summary of the results. GRS will also prepare a draft project timeline based on the discussion this morning by the April 8, 2019, Administrative Committee Meeting.

Unfinished Business

- HRA Allocation and Claims Processing Rules:

Michael Ball discussed with the Board the progress with updates to the C500 HRA monthly allocation and premium reimbursement processed. Mr. Ball added that BeneSys is well on our way to having these modifications in PROD ahead of schedule:

- Monthly Allocations deposited into separate accounts for Member or Spouse.
- Reimbursement checks made payable and sent to "Account Holder" – Whether it's Member or Spouse.

Michael Ball asked the Board to grant a final approval on how BeneSys will be processing claims moving forward and further handling of 2018 & 2019 paid claims:

- The Board agreed to, if both Member & Spouse have an HRA, they can submit claims in their own account for the other. This is our recommendation, which is Plan compliant, and the reimbursement would be paid to the Account Holder.
- The Board agreed to, when member has other Medical coverage (Aetna/Priority Health) and Spouse has HRA, it is permissible for HRA claims to be paid for Member, if Spouse submits HRA claim and reimbursement check made payable to Spouse. This recommendation would be applicable when Spouse has other coverage and Member has HRA, as well.
- The Board agreed to, if either Member or Spouse account can be used for eligible dependent (children) expenses.

Michael Ball noted, that BeneSys will be creating an exception report to look for possible duplicate payments, based on the date of service, claim amount, service type, and patient. This will allow us to have some controls in place to minimize fraud. Our recommendation is reiterating to Members that it's their responsibility to affirm that they are not seeking double reimbursement and the current HRA form has language to that affect.

Motion – To review, accept the HRA Allocation and Claims Processing Rules as presented: By B. Roehl, seconded by D. Bojalad.

- Motion Carried – unanimously

Financial Reports

Motion – to review, accept and pay the Bills for Approval:

- Bills for Approval

by B. Roehl, seconded by J. Barr.

- Motion Carried – Unanimously

Administrative Reports

A question was asked by a Member Service Representative to present to the Board, as it relates to HRA Reimbursements for Service Dogs? The member who called the BeneSys office asked, what services

would be covered for a Service Dog, and what type of documentation is required for HRA reimbursements for Service Dogs?

The Board provided some direction as this item is researched further by legal. For now, BeneSys would need a letter from the members doctor that recognizes the Service Dog as medically necessary. While this research process is going on, and a member is required to pay out of pocket for their Service Dog, once a final decision is made by the full Board the member will be made whole.

Legal Report

Mr. Castle presented a final draft Correction of Benefit Overpayments Policy for the Board's review and discussion. Noting that the draft Policy was reviewed and discussed with the Administrative Committee at its march 11, 2019 meeting. The Committee's recommendations and comments have been incorporated into the current draft which has been recommended to the full Board for adoption.

Motion – to review, accept Overpayment Policy:
by D. Bojalad, seconded by J. Barr.

- Motion Carried – Unanimously

Mr. Castle noted that as it related to Dependent Coverage, at the March 11, 2019, Administrative Committee meeting BeneSys questions were raised regarding dependent coverage or any IRS rules and regulations prohibition on dual coverage or any IRS rules and regulations prohibiting dual dependent coverage. General Counsel is still in the process of preparing a memorandum to the Administrative Committee addressing the questions and concerns.

Mr. Castle touched on the Duty Disabled HRA question raised at the March 11th Administrative Committee meeting. The question regarding surviving spouse eligibility for \$395 duty disabled HRA Benefit. The Plan document does not currently contemplate a surviving spouse's continued receipt of a duty disabled HRA benefit. However, the VEBA's practice has been to treat surviving spouses as if they "step into the shoes" of the retiree and, therefore, surviving spouses of a duty disability retiree have continued to receive the \$395 HRA benefit until Medicare eligibility. Accordingly, the Board may wish in the future to consider appropriate amendments to the Plan document if it wishes to continue its historical practice.

Motion – to review, accept Dependent Coverage and Duty Disabled HRA Eligibility By J. Barr, seconded by D. Bojalad.

- Motion Opposed as it relates to the Duty Disabled HRA Eligibility By – B. Roehl.

Correspondence

- New Home Delivery Pharmacy Notification
- Fifth Third Client Disclosures and Consent form

Motion – To review, accept the Correspondences as presented: By J. Barr, seconded by T. Shippy.

- Motion Carried – unanimously

Business Agent Report

He discussed any participant issues that he has coming in, he has been in contact with BeneSys to resolve, he also mentioned that BeneSys is quick to respond and help in finding a resolution to the issue.

He also noted that the next Retirees Membership meeting will be held on Thursday April 4, 2019 doors open at 5:30 pm, food served at 6:30 pm, and the meeting starts promptly at 7:00 pm at the Monaghan Banquet Center, 19801 Farmington Road, Livonia, MI.

Mr. Opolski mentioned to mark the calendar for the Annual June Retirees Meeting in Frankenmuth, MI. The outdoor picnic is scheduled for Monday, June 10, 2019, at Heritage Park, starting about noon, and the General Meeting will take place at the Barvarian Inn on Tuesday, June 11, 2019 with breakfast being served at 9:00 am with the meeting following. Reservations can be made with the Barvarian Inn by calling 855-652-7200 and using group# 12S25U.

Motion – To enter into closed session at 11:45 am to address administrative appeals containing confidential personal health information under HIPAA: By J. Barr, seconded by D. Bojalad.

- Roll call vote: J. Barr – yes
- D. Bojalad – yes
- C. Opolski – yes
- D. Roehl – yes
- T. Shippy – yes
- F. Allen – yes
- A. Dillon - yes

Motion - To come out of closed session at 1:25 pm: By B. Roehl, second by J. Barr.

- Motion Carried – unanimously

New Business

A. Appeals

Motion - To deny Appeal No. **2687445891**: By B. Roehl, second by J. Barr.

- Motion Carried – unanimously

Motion - To approve Appeal No. **2712556921**: By J. Barr, second by D. Bojalad .

- Motion Carried – unanimously

Motion - To deny Appeal No. **2741660163**: By J. Barr, second by D. Bojalad.

- Motion Carried – unanimously

Motion - To approve Appeal No. **2732257847**: By T. Shippy, second by J. Barr.

- Motion Carried – unanimously

Motion – To deny in-part/approve in-part Appeal No. **2676120640**: By B. Roehl, second by T. Shippy.

- Motion Carried – unanimously

Motion - To deny in-part/approve in-part Appeal No. **2733555241**: By T. Shippy, second by B. Roehl.

- Motion Carried – unanimously

Motion - To approve Appeal No. **2788297852**: By B. Roehl, second by D.Bojalad.

- Motion Carried – unanimously

Motion - To deny Appeal No. **2781661306**: By J. Barr, second by T. Shippy.

- Motion Carried – unanimously

Motion - To deny Appeal No. **2726376783**: By B. Roehl, second by T. Shippy.

- Motion Carried – unanimously

Motion - To approve Appeal No. **2769546931**: By T. Shippy, second by D.Bojalad.

- Motion Carried – unanimously

Motion - To deny in-part/approve in-part Appeal No. **2843997405**: By B. Roehl, second by T. Shippy.

- Motion Carried – unanimously

Remarried Surviving Spouses

The Board confirmed that remarried surviving spouses would continue to be eligible to receive benefits; however, new spouses would not be eligible.

Trustee Comment/Open Forum

Adjournment

Motion – to adjourn by J, Barr seconded by D. Bojalad

- Motion Carried - Unanimously

Meeting adjourned at 1:45 pm.

Respectfully submitted,

Samarah Murray, Plan Manager