

AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Monday, May 15, 2017

The meeting was held at the office of ABS located in Sterling Heights Michigan. Chairman Opolski called the meeting to order at 9:31 AM. A quorum was present.

Trustees:	Chet Opolski	Chairman
	John Clark	Vice Chairman
	Shirley A. Berger	Secretary
	Thomas Sheehan	Trustee
	Floyd Allen	Trustee (T)
	Andy Dillon	Trustee (A)
	Don Taylor	Trustee
	John Barr	Trustee

ABS Representative: Lisa Duncan, Melanie Taliercio and Denise Allport **VMT:** Aaron Castle

Graystone - Representatives: Burton Carlson **GRS-** Eric St. Pierre and Jim Cherundolo

Approval of Agenda

Motion made by Sheehan and seconded by Barr to approve the May 15, 2017 agenda.
Motion carried – Unanimously.

Approval of Minutes

Motion made by Sheehan and seconded by Clark to approve the April 24, 2017 minutes.
Motion carried -Unanimously.

Graystone Consulting Update

Graystone Representative: Burton Carlson via conference call provided an update to the Trustees regarding the Cash Flow Summary and B Notes Summary.

Motion made by Sheehan and seconded by Clark to acknowledge receipt of the update. Motion carried - Unanimously.

Correspondence NONE

Amended Agenda - Motion made by Clark and seconded by Barr to move GRS up on the agenda. Motion carried -Unanimously.

GRS discussed the upcoming renewal with Aetna and review other data. The plan for Police and Fire is running favorable with the retirees. GRS wanted to issue the RFP's by the end of June. GRS representatives were concerned about unfavorable rate increase for HAP. The Chair requested timelines from GRS representatives. GRS also weighed in on the Heroes Benefits letter sent to Trustee Clark regarding group health insurance. No Action taken by Trustees.

Motion made by Taylor and seconded by Clark to direct GRS to prepare RFP for exclusive and non-exclusive healthcare renewals for 2018. Motion carried. **YEAS:** Allen, Taylor, Clark, Opolski. **NAYS:** Barr and Sheehan.

Motion made by Clark and seconded by Sheehan to direct GRS to prepare RFP for private exchange options for pre-65 retirees who acquiring health insurance on the health exchange. Motion carried -Unanimously.

In full disclosure, Chair Oposki informed the Board that he and Jon Barr had a luncheon meeting with Rich Weaver and Mark Mueller from TMR was in attendance.

Return to Regular Agenda - Motion made by Barr and seconded by Sheehan to return to the regular agenda. Motion carried -Unanimously.

Break 11:30 a.m. – 11:35 a.m.

Accounting Report

The Cash Activity Report for April 2017 was presented. The Trustees acknowledged receipt.

Receipts and Disbursements -Motion made by Sheehan and seconded by Clark to accept the report and approve all payables. Motion carried -Unanimously.

11:45 a.m. – Trustee Allen left the meeting via conference call.

HRA Claims Processed YTD HRA report was presented. The Trustees acknowledged receipt.

Legal Report

No Formal Report

Administrator Report

Pursuant to the request of Trustees, Melanie Taliercio from ABS will begin recording the minutes of the regular Board meetings effective June 19, 2017 for the remainder of 2017 at no additional cost. ABS will revisit this topic again in 2018. This will also include the minutes of Administrative Committee meetings.

At May 8, 2017, Administrative meeting, there was no representative from ABS in attendance. The agenda included the names of 11 members who submitted 2016 HRA claims after March 31, 2017. They were denied by ABS because they did not file a claim prior to deadline. ABS will maintain an appeal log for the Trustees.

Motion made by Taylor and seconded by Clark to allow 12 members to be reimbursed for HRA claims with appropriate verification by ABS. Motion carried. Oppose: Barr and Sheehan.

Trustee Sheehan requested that the following statement be included in the minutes.

STATEMENT REGARDING APPROVAL OF HRA REIMBURSEMENTS

I voted **NO** on the motion to approve reimbursement of 2016 HRA claims for twelve members of the City of Detroit Police and Fire Retiree Healthcare Trust. All requests for reimbursement were to be submitted to ABS before the March 31, 2017 deadline. My vote was based upon the following:

1. At the May 8, 2017 Administrative Committee meeting, the agenda included the names of 11 members who submitted 2016 HRA claims after 3/31/2017. Statements made by trustees at that meeting indicated more information would be needed. (Sheehan) "it is imperative for the Committee to possess information about when the expenses were incurred for each member and why the claims were submitted late." (Clark) the Committee must scrutinize each submission when deciding whether to accept the late claims".
2. Based upon these statements, my request was to follow the Administrative Committee Bylaws as outlined in III. Roles & Responsibilities B. HRA Claims Administration to review the following:
 - (a) A copy of the letters sent from ABS to each member denying their verbal claim(s) they didn't know about the deadline.
 - (b) The "written" appeal from each member that is required under Section 3.13 Interpretation and Appeal of the RHC Plan Document and as outlined in Section VIII "Appeal Procedures" of the RHC Rules of Procedure for Board consideration.
 - (c) Copies of the bills to see when the services were provided and qualify for reimbursement.

(This was the practice followed in 2016 when similar claim situations occurred.)

None of the documentation as outlined above was provided by ABS to Board members at either the May 8, 2017 Administrative Committee meeting or the May 15, 2017 full Board meeting. In fact, a member of the ABS staff stated at the May 15, 2017 meeting that proper procedures were not being followed by ABS to document each member's file in accordance with established rules of procedure. Despite my concerns as discussed at the May 15, 2017 meeting, the motion was adopted to approve payment to each member. There was no urgency that this motion had to be adopted at the May 15, 2017 meeting and should have been delayed until a full review and all established procedures were followed.

What I find troubling is that this will set a precedent for future administrative decisions. If the Board decided to act in this manner, the rules and guidelines for appeals should be amended.

Thomas Sheehan

Motion by Barr and seconded by Sheehan that the recent appeals for payment of benefits that were approved this date be restricted to those appeals only due to an anomaly based on the way the appeals came to ABS. No future 2nd level appeals will be approved without proper appeal documentation. Motion carried -Unanimously.

Administrative Committee

The next Committee Meeting is scheduled for Monday, June 12, 2017.

Finance Committee Board NONE

Unfinished Business

SSDC Final Letter For Review - **Motion** made by Sheehan and seconded by Taylor not to pursue SSDC Services for plan trust participants. Motion carried -Unanimously.

2016 Plante Moran Audit – ABS disseminated the Financial Reports with Supplemental Information for December 31, 2016. **Motion** made by Sheehan and seconded by Clark to accept audit by Plante Moran. Motion carried -Unanimously.

New Business / Open Forum

Next Full RHC Trust Board Meeting June 19, 2017. Trustee Berger indicated to the Board that she will be out of town for the June 19, 2017 meeting. She asked to be excused.

Adjournment

Meeting was adjourned at 12:30 P.M. Motion made by Sheehan and seconded by Clark. Motion carried- Unanimously.

Respectfully Submitted,

Shirley A. Berger

Secretary

