

**COLORADO HIGHER EDUCATION
INSURANCE BENEFITS ALLIANCE
CHEIBA TRUST MEETING**

A. MEETING LOCATION AND DATE:

Adams State University
Student Union Building, Room 315
Alamosa, CO 81101

June 2nd, 2016, Meeting began at 9:00 a.m.

June 3rd, 2016, Meeting began at 9:00 a.m.

B. GENERAL BUSINESS:

1. Call to order

The meeting was called to order by Mike Dougherty, Chair. The following individuals were in attendance:

- Tracy Rogers, Adams State University
- Shannon Heersink, Adams State University
- Blaine Nickeson, Auraria Higher Education Center
- Ralph Jacobs, CSU Pueblo
- Darren Mathews, Fort Lewis College
- Mike Dougherty, Colorado School of Mines
- Veronica Graves, Colorado School of Mines
- Amanda Berry, Metropolitan State University of Denver
- Josh Mackey, Metropolitan State University of Denver
- Marshall Parks, University of Northern Colorado
- Kim Gailey, Western State Colorado University
- Michele Moreau, Gallagher
- Neida De Quesada, Gallagher
- Margo Reid, Gallagher
- Paula Wilson, Anthem
- Jim Thorne, Anthem
- Mike Beaton, Anthem
- Desiree Delgado, Anthem
- Kim Eberhardt, Castlight

The following individuals participated at various times via conference call:

- Pepper Krach, Gallagher
- Tracy Paladino, Gallagher
- Les Kohn, Gallagher
- Rebecca Weiss, Anthem
- Annmarie Manders, Anthem
- Adam Holmberg, Anderson & Whitney

2. Approval of March Business Session Minutes

Motion was made to approve the March business session minutes. The motion was seconded and approved (unanimous).

3. Approval of April Special Meeting Minutes
Motion was made to approve the April special meeting minutes. The motion was seconded and approved (unanimous).
4. Approval of June Meeting Agenda
Modifications were made to the agenda to add item GBS Client Service Plan under E1 GBS Update.
Motion was made to approve the agenda as modified. The motion was seconded and approved (unanimous).

C. PUBLIC COMMENT:

No one appeared for public comment

D. REPORTS:

1. CHEIBA Trust Reports – Medical, Large Claims, Dental and Life
 - The reports included data through the month of April, with family stop loss reimbursements through the month of March. April stop loss data was not available at time of reporting.
 - Michele walked through the YTD Row for each column and explained content. Explained how PPACA fees impact loss ratio. Pointed out that retention for medical includes the following changes: admin. - \$28.60 PMPM; pooling - \$13.28 PMPM; commission- \$3.09 PMPM = \$98.93 PEPM vs. \$96.64 last year. PPACA - \$21.60 PMPM = \$47.52 PEPM vs. \$47.26 last year.
 - Combined HMO/PPO, Lumenos, Blue Priority & Custom Plus – now includes data for new plans.
 - The overall loss ratio with retention is 89.8% compared to 99.1% at year-end 2015
 - Rx drug costs 18.8% of total expenditures compared to 17% year end 2015. If higher claim volume, Rx expenses could be a lower percentage. Specialty drugs is an area to watch in the future.
 - Enrollment up 2.5%; averaging 3,863 employees year to date
 - PEPM \$917.96 vs. \$963.15 year-end 2015, down 4.9%
 - Total claim dollars year to date \$14,183,461 vs. \$15,739,328 in 2015
 - \$220,308 in claims over the pooling point
 - HMO/POS Plan
 - 2,900 employees on average, up 4.8% from 2015
 - Rx drug costs 16.9% of the total claims vs 16.5% last year
 - Claims over pooling \$220,002
 - Average claim PEPM \$948.75, up 3.8% due to large claims
 - Loss ratio of 84.1% on paid claims without PPACA, down 3.8% from this time last year
 - 92.9% loss ratio with retention
 - Total claim dollars for 2016 are down 3.8% compared to the same time period in 2015
 - PPO Plan
 - Enrollment dropped 7.2% to an average of 906 employees in 2016. Likely migrated to new plans or HMO.
 - High service utilizers tend to be on PPO plan
 - 71.5% paid loss ratio without retention
 - 80% loss ratio with retention vs. 107.1% at year-end 2015
 - Annual claim costs are 41.3% below where they were last year at the end of April
 - Average PEPM Claim costs are \$827.34, compared to \$914.21 at year end 2015
 - PPO has \$306 over pooling

- Rx drug costs are 26.6% of the total claims compared to 23% at year-end 2015
- Custom Plus Plan
 - Grandfathered plan with traditional indemnity benefits. Down to 20 employees, with no new enrollment allowed.
 - Reflects high loss ratio because of so few members
 - No claims over pooling level this year
- Lumenos Plan
 - Plan is attractive to younger, healthy population
 - 13 employees currently enrolled. 4 employees were added in March and April.
 - Paid claims very low. Michele explained could be expected due to demographics and the fact deductibles haven't been met.
- Blue Priority HMO Plan
 - Added specifically for employees located in the Denver Metro area. Gatekeeper plan. All services must go through a PCP. Lower premium with a \$2K deductible.
 - 25 employees currently enrolled, with 26 as of January 1
- Dental Plan
 - 101.5% loss ratio with retention
 - 88.7% loss ratio without retention
 - Average Claims PEPM \$59.00, up from \$55.87 PEPM at year-end
 - Mike reminded Trustees that this is the 4th cycle without changing dental premiums. Anthem has suggested slight increases in the past, but decision was made to keep the premium the same.
 - Retention increased from \$1.84 last to \$2.49 PEPM this year primarily due to PPACA fee changes.
 - Michele noted that dental plan is predictable year over year
- Vision Plan
 - Michele explained that the vision report is immature. The vision plan is similar to VSP, but with different offerings. The plan is fully insured, not dividend eligible and includes a three year rate guarantee.
 - All employees who elect medical, receive vision exam only coverage at the same percentage of premium contribution institution by institution. Mike clarified that VSP was all voluntary, with higher premiums. Blaine said CHEIBA wanted eye exams to be included because of the ability to detect chronic conditions with the vision and because vision exam data could be integrated with medical records. Employees have the ability to purchase the Full Service – buy up plan with coverage for materials (i.e., lenses, frames and contact lenses).
 - For the purposes of activity and underwriting, vision is viewed as one combined plan. Michele wanted to report on eye exam only and buy up activity separately. ACA fees are calculated on the overall plan basis. The retention portion allocates \$1.49 PEPM, with an ACA fee of \$.20 PEPM. When reporting the plans separately, the loss ratios look skewed as the retention costs look higher on the vision only plan due to the premiums being lower.
 - Vision – Exam only
 - \$8,307 in claims paid through April, with \$23K of premium
 - 2,148 employees are enrolled with exam only coverage
 - Average claim cost of \$.97. At this point, many employees have not used their vision benefit.
 - If only data from employees who have exam only coverage is considered, the loss ratio is 39%; the loss ratio with retention is

99% because all administration costs are reflected against the premiums generated by the exam only covered participants. Mike explained that when blended, it comes out ok.

- Vision – Full Service/materials plan
 - \$68,023 in claims paid through April, with \$100,306 of premium
 - 1,855 employees are enrolled with full service coverage
 - Average claim cost of \$9.17.
 - Loss ratio of without PPACA and retention 68.8%, 80% with retention.
 - Kim confirmed the eye exam employee counts are higher than the medical, because employees cannot elect medical but can elect vision. Mike clarified that there are 3,863 total employees with medical, all of which have exam coverage. Looking at exam data, he doesn't see it balancing. Mike suggested including participation numbers by exam only and buy up. Michele explained that the vision plan is on a three year rate guarantee, therefore, the vision underwriting department will be looking at data on the plans as a whole at renewal with three years of data. Mike B. believes they will be able to report on the number of exams split by members electing exam coverage only and the full service vision option. Michele said the loss ratios will equal out in the long run.
 - Michele reviewed an exhibit for the month of April combining both vision coverage options.
 - 92% actual loss ratio after retention.
 - Michele welcomed suggestions on reporting format moving forward. Ralph suggested providing exhibit regularly with combined utilization, and discontinue standard Vision reporting by plan. Marshall agrees, seems like split reporting is not valuable. Michele will proceed with combined format as in single month of April example.
- Life Plan
 - Three claims paid to date for a total of \$111K in 2016, well under the claims paid during the same period in 2015
 - For 2015, there were 19 life claims totaling just under \$800K in paid claims
 - Audit was completed at end of year and Anthem decreased retention
 - Current surplus of \$369K when comparing premium paid to retention and claims paid
 - Marshall is aware of a \$150K claim not yet reported
 - Large Claim Information reported by Desiree Delgado from Anthem
 - Individuals with claims exceeding \$75K
 - Seven high cost claimants from Jan – April 2016
 - Largest claim is \$227,380. Patient experienced inpatient hospital stay in January 2016 related to allergy diagnosis. Not expected to be ongoing.
 - Three claimants on current large claim report continuing from 2015. One for HEP-C and two cancer.
 - One new claim from 2016 for substance abuse. Ralph asked if there is an increase in substance abuse claims. Michele said Anthem will review reports showing cost and utilization by type of

service in July. Paula added that they will compare CHEIBA's utilization to the norms of other higher ed in Colorado and higher ed nationally. A current report reflects a slight decrease in substance abuse cases in 2016 compared to 2015.

2. Reserve Report – Presented by Michele.

Michele shared the most recent 2015 estimate. The final RSR closing out the 2015 year will be available in July. Numbers that are in green are encumbered funds – reserves that are required and cannot be touched for other purposes. Black are unencumbered by line of coverage. These funds can be used for other purposes. Blaine pointed out that unencumbered funds were used for buying the premium holiday.

LTD – Moved from self-funded to fully insured funding arrangement. Funds are needed in the claims deposit account to pay claims under self-funded policy administered by the Standard. Balance was reviewed 4 - 5 months ago, and it was determined there were excess funds. \$54,591 was recently returned to the Trust reducing the balance to \$80K. Blaine stated that there is possible liability for claims not yet paid. Standard can request additional funds if claims exceed the \$80K. Ralph asked for end date. Michele confirmed 5/1/2017 is correct.

Medical – Fully insured with Anthem. Hybrid funding arrangement in place allowing share of some of the gains. In years of losses, will not carry them forward. Basic Reserve, currently 10% of premium required (previously 20%) to cover any losses that will not be carried over. Plan Reserve holds surplus dollars that are fully owned by the Trust. When the contract was rewritten, reduced reserve percentage required due to significant growth in total premium dollars. If relationship with Anthem ends, basic and any remaining excess reserves will be split 50/50 with Anthem. Josh asked if Plan reserves are 100% owned by Trust and Michele confirmed. Michele said additional reporting will be available at July meeting. Mike said the Trust has to keep the basic reserve funded at 10% of the annual premium level. At some point, funding the basic reserve to the 10% level will again become part of the premium structure.

Anthem Life – Basic Reserves set at 20% of premium. Mike noted footnote 2 should be revised to include that the Life reserve is 20%. Cannot reduce reserve because of the volatility of Life claims. Mike questioned the accuracy of the Life amount. Since the membership is up, the reserves should be higher. Mike B. to review and assure the final report is accurate. Michele reviewed balances, noting that some of the Plan Reserve is being used for 2016.

Additional Accounts – Balance for Fidelity Investments and Wells Fargo Bank accounts total \$214,633. Michele pointed out additional detail included on page 3 of report. Blaine confirmed information is public record.

Summary of reserve accounts reviewed. Michele said the Trust has discussed and decided to take a conservative approach and set aside 7.5% of Life, Medical and Dental premium. These are unencumbered funds that will be saved for years with higher than expected claims. Mike pointed out that the summary doesn't reflect the projected cost for the 2016 premium holiday of \$2.6M. Mike asked for revised report reflecting the premium holiday already approved and taken by some institutions. Michele confirmed the report does not include any 2016, only 2015. She reviewed schools that have taken their premium holiday and when. Mike suggested that a note should be added to the report to be sure Life reserves are not overstated. July will close out 2015 and reflect YTD 2016.

Josh asked what the investments accounts can be used for. Blaine said they can be used for operating expenses of the Trust including legal fees, booklets, health fairs, lunches for meetings, etc.

Alan Holmberg called in to discuss the Financial Audit report for the period that closed June 30, 2015 (see below Discussion and Informational Items)

E. OLD BUSINESS:

1. GBS Update

- **Crime and Fiduciary Liability Policies Status**

Tracy Paladino provided a policy update for the crime and fiduciary liability policies. GBS policies go through rigorous review process. Tracy P. emailed policies yesterday. The Risk Management area has completed its policy checklists and are comfortable that everything is correct. For the Fiduciary policy, Anthem and GBS were added as endorsements. Travelers needs the language covering Anthem narrowed, listing a specific team or individuals. Paula will confirm which department to use. Tracy P. will share the GBS endorsement language. Tracy P. provided Mike and Dixon with an email answering a number of questions. Neida will share the email with the Trustees for their review.

For the Crime policy, Travelers provided helpful risk management information on preventing claims, as well as providing specific claims examples. Tracy P. forwarded the information to the Trustees and encouraged them to contact her with questions.

- **Freestanding ER House Bill and Amendment 69 (from 3. Anthem Update)**

Amendment 69 Update:

Rebecca Weiss, Government Relations with Anthem, provided an update on the ColoradoCare - Amendment 69. She stated that Anthem has taken an opposed position and are actively working with the Denver Metro Chamber of Commerce campaign. ColoradoCare.org collected enough signatures to successfully qualify ColoradoCare for the November 2016 ballot as Amendment 69. If passed, it would amend the state constitution and could not easily be changed. The intent is to create a single payer of healthcare within the state of Colorado. This is not really correct since Medicare and Tricare would be in place at the federal level. \$25 Billion is the projected cost, and it would be run by a Board of Trustees made up of 21 officials from each of the seven Colorado congressional districts. Elected officials must be 18 years old and a member of plan.

The plan would not report to the legislature or have any legislative oversight. Would be funded by payroll tax with employers paying 6 2/3% and employees paying 3 1/3%. Limited Liability Corporations would be responsible for a tax of 10% of their net income. For seniors, any income over \$20K would be subject to tax. The 21 member board would decide the benefits offered and what providers are being paid. They are not sharing who the providers will be but are touting will simplify system. Many organizations are opposed since a single state is not likely able to do it on its own. Concerns have been raised with increased taxes and people moving to Colorado just to obtain care. Senator Irene Aguilar and T.R. Reid, health policy author and filmmaker, are big advocates in this space.

Mike said he had run in to a petition gatherer and they started with saying healthcare is a right and everyone will need it at some point. Mike recently received an e-mail from Amanda Keen, Sr. Research analyst from the Legislative Council Staff asking if he wanted to be on the distribution list for drafts of the Blue Book statements. Mike asked if any of the Trustees had received the same invitation; none had. Rebecca said some signatures were obtained by saying if you hate Obamacare, sign to move to a healthcare system run by doctors.

Michele is concerned that we are being asked to vote on this before understanding the infrastructure and how it will be supported. Many of the questions asked are responded to with "I don't know". Voting based on ideas, not providing details. Very risky and uncertain. Costs are not capped at \$25

Billion, can exceed. Written to be exempted from Tabor. Vermont considered trying this and decided not to move forward. Would be three year ramp up and study period, where taxes would be collected. These taxes would be used to pay for the study, not claims. During this time, the interim board will make a determination if ColoradoCare should move forward. No protections in place for members with claim payment.

Results from polling in mid-March showed generally people don't feel it will save them money. 18-34 year olds seem to be more in favor. Support not very strong. Anti-arguments seem stronger than Pro, but have to be very cautious due to uncertainty. Education is really key. Ballot will be very crowded so could be another concern. If passes, we would have highest taxed state in the union. It was brought to Colorado since we are one of the easiest states to pass these types of issues.

Paula asked if meetings are taking place. Rebecca confirmed they are. Blaine noted they can raise premiums, but it's up to the 21 members of the committee. Michele asked is it true or not, when a state puts in universal health plan, will the federal government still support Medicare, etc. at same level. Rebecca said it all hinges on state receiving waiver from federal care act, so up to federal government. She believes seniors would still pay taxes but not receive benefit from program.

Colorado for Coloradoans has website campaigning against the amendment. They have also gone to local mayors, chamber of commerce, newspapers, etc. Will start to see media outreach closer to campaign (t.v. ads, etc.). Ralph asked if tax is % of income and is there cap. 6 2/3% for employer and 3 1/3% for employee, capped at \$350K individual, \$450K filing jointly. Ralph said likely to see people both come and go from Colorado due to tax implications.

Michele asked if there have been any new developments over last two months. Rebecca confirmed the language will remain the same. No additional info on structure, etc. In a meeting, 133% of Medicare was thrown out for provider reimbursement. When providers were asked if they could make it on that reimbursement rate, they said no. Rebecca will provide any updates to Michele to filter to Trust. Blaine noted that per Secretary of State Website, the "No" campaign raised \$3M with Anthem contributing \$1M.

- Freestanding ER:

Mike mentioned that the Freestanding ER bill passed the house and went to the Senate State, Veterans, and Military Affairs Committee where it was killed. Rebecca stated that employer groups can be extremely effective by bringing experiences from their employees to the Capitol so legislators can hear their stories. If you have specific member experiences to share, route them through Michele. Not sure if there will be a bill next year, or additional discussion on this issue but Rebecca will continue to communicate with Michele. Paula asked if there were stories, would be those who would be willing to testify or just share. Rebecca said could go through Mike, but would be welcome to come and personally testify.

Mike provided a quick update review of the Freestanding ER Bill. The bill created a study group for transparency discussion. Blaine said it just basically required a form be signed by a patient in an ER to acknowledge they know it's an ER. Mike and Michele explained the confusion to member around ER and UC facilities and the financial burden ER services can place on members. Mike mentioned that he discussed this bill with Senator Laura Woods who was not given the chance to vote on the bill because it did not make it out of committee. Mike said, if Senate flips back to Democrat control, it is likely that this will resurface next session. This bill is an attempt to increase information available to the consumer and if implemented may address the cost curve in some small way. Need more on cost transparency and ways to impact costs of plan. Mike mentioned that he had seen a map of the

Houston area that shows income levels and where the ERs are being built. They are only being built in high income areas. Mike said a PCP from NW Physicians was very interested and testified at the House Committee hearing. New West just received national recognition for ACO model.

- Release of Claims Deposit Fund

A check for \$54,591 was cut for the release of funds in excess of \$80K. Michele clarified that there will be interest credit of \$579 unless the Trust would like it reallocated.

- CBGH/Anthem Data Release

Michele provided a high level overview of Colorado Business Group on Health (CBGH). CBGH is an employer sponsored organization that looks at Colorado initiatives on Health. They are part of national organization. Players include PERA, large employers in Colorado Springs and CU. CHEIBA joined and paid \$15K in dues for 2016. CBGH holds meetings to discuss up and coming market initiatives. They also get data from the all claims payer system and carriers to provide market comparison information for transparency. CBGH looks for opportunities from efficiencies, effectively driving change in the marketplace.

CBGH is looking for a data release from Anthem, allowing raw data in the all state payer data format specific to the Trust to be shared so they can run various reports. CBGH would present info back to CHEIBA comparing against others and highlighting opportunities. There have been issues with releasing the data. CHEIBA is member this year, but would like to determine if their services are valuable enough to join next year. CBGH has agreed to run initial report, hopefully for July meeting, to help the Trust understand the value of CBGH membership and reporting. A membership decision needs to be made in the fall for the 2017 plan year.

Status: Anthem said the Trust has to sign off on releasing the data. Anthem provides full data files to the all claims payer system. Anthem has asked for specific requirements that are a concern to the trustees. Mike said a form needs to be signed, then letter a needs signed for confidentiality. Mike said request form for release of fully insured info had inaccurate information originally, but requested corrections have been made. Mike's concern is that Anthem and CBGH have a BAA in place. Tracy reviewed per Mike's request. Dixon and Tracy made suggestions to add a cover letter which includes details of the business arrangement of how the data will be used. It should specify that an initial report will be available at no cost, include details of services that will be provided as well as costs. It should also note that the contract period is renewable annually. Concern is that the Trust shouldn't sign off on security requirements of data that Trust does not actually hold. Josh asked about other data exchanges between Anthem and CBGH. Paula said data is shared for PERA, but the plan is self-funded. Anthem is even more cautious since its 2015 breach.

Mike pointed out that Donna from CBGH recently sent email where major hospital systems were contacted urging them to participate in Leapfrog, a unified push for hospital transparency. A 2016 hospital survey is underway and reminders were sent on 5/11 to over 3700 hospitals across the county by the President and CEO of Leapfrog group, with a focus on University of Colorado and urban hospitals. Michele reinforced that the agreements need signed quickly to assure the reporting can be ready for the July meeting.

- PAL Year End Report

- Neida provided an overview of PAL program. Gallagher offers an advocacy program to assist members of the CHEIBA Trust with claims, appeals, and escalated benefit questions. Reports are produced on a quarterly basis to track activity and monitor the type of issues being addressed. Blaine asked if the PAL program is offered by Gallagher on a national basis and if

so, is benchmarking data available to compare activity levels. Michele confirmed it is a service offered exclusively by the Denver office.

- The annual summary for 2015 reflected a significant decrease in number of cases from 2014, however, the number of contact points actually increased. Neida confirmed that a case is considered resolved when it is closed in the Gallagher system. This means the issue is resolved or the rep has exhausted all possible avenues for resolution. The Gallagher PAL representative that worked with CHEIBA members for several years retired mid-year in 2015. There was a learning curve as the new representative became familiar with the unique characteristics of the CHEIBA plans. Darren pointed out that his employees commonly use the PAL program and have expressed that they are pleased with the level of service that they are currently receiving from Lydia. Activity is expected to increase in 2016.
- Darren mentioned that his members have expressed concerns with answers received by Anthem's Customer Service. He often refers them to Lydia. Amanda said she has three examples in the last two months with incorrect answers from Customer Service. Kim said they have the same problem. Paula asked the Trustees to let her know every time this happens so they can address the issue and improve. Anthem has the ability to listen to the calls and address the issue appropriately.
- Kim, Marshall, Darren and Shannon all expressed concerns around the chiropractic, physical therapy and massage benefit through Landmark, a vendor used by Anthem. Processes seem to have changed this year. The HMO/POS plan now requires a treatment plan beyond 8 visits, and the PPO plan does not. This is causing confusion with members and providers. Kim asked to have Providers Relations reach out to providers in Gunnison. Marshall said he has heard of providers in the Greeley area not wanting to work with Landmark. Paula asked for specific examples. Blaine reinforced sending examples. Paula recently researched an example for him and confirmed it was a provider issue. Shannon said she has an example of a provider who sometimes bill Landmark and other times bill Anthem. This is causing problems with claims payment. Tracy agrees it's often a provider issue.
- Health Fairs (24HourFlex Participation)
Neida confirmed that the health fairs are already scheduled for this year. Last year, 24HourFlex attended all fairs. Their contract states that for years 2 – 4 there would be a charge of \$1,200 for their travel to Gunnison and Alamosa. Blaine said any travel charges should be a Trust expense and not individual school expense, and Mike agreed.
- Strategic Planning Discussion
 - Grandfather Status / Self-Funding
Mike pointed out that 2017 may be a good time to consider losing grandfather status. Mike B. confirmed that the effect on rates of losing grandfather status is 4% for the HMO/POS and 4.3% for the PPO. If we lose grandfather status for 2017 we can absorb the rate increase through the suspension of the ACA insurer fee, we only have to make up .5% instead of the 4%. ACA insurer fee has a cost of approximately 3.6%. Blaine pointed out it would be more difficult to do this if you wait for a renewal following poor claims experience. Making the change would also provide the Trust with the ability to change plan design.

Mike believes they should also consider self-funding the plan for 1/1/2018. Going self-funded opens up opportunity to make further plan design changes. Michele pointed out opportunities such as narrow or premier provider networks, buy-up Castlight services, expand the Trust, bundled pricing arrangement, etc.

Mike noted that moving to self-funding raises the question of whether the Trust would need a Trust Executive Director or can the Trust Committee do it collectively. Darren asked if the Trust had to lose grandfather status or was it a choice. Mike and Michele confirmed that it's a choice, this timing makes sense. Michele asked if okay to move forward preparing discussion for the July meeting for self-funding and losing grandfather status. The Trustees agreed. Darren is asking when decisions need to be made for self-funding. For going effective 1/1/2018, the analysis should begin in late 2016, with the financial analysis following as soon as reporting is available for the 2016 plan year the first quarter of 2017. Ralph asked if notifications are needed for going self-funded. Michele confirm no. Mike B. and Mike clarified that you would include with your renewal information for 2017 going into 2018.

Michele referenced a Parking Lot document included in the packet with items that may be of interest for future discussion. She asked the Trustees for ideas they would like to explore.

- Bundled Options – Update from Anthem on options for 2017 for fully insured and/or self-funded
- Darren believes going self-funded is a good idea. Being from Durango, there would be no advantage to expanding the Trust as a whole.
- Kim thinks should discuss self-funded as well as other opportunities, i.e., referenced based pricing.
- Blaine agrees should look at self-funding
- Darren would like to explore benefit plan design changes. Medical very good, but Dental is considered middle of the road. Mike asked Ann to send State Classified Dental benefit plan designs to Anthem for renewal option pricing.
 - Preventive Care does apply toward max.
 - Increase current \$1,500 maximum to \$2,000
 - Increase current \$1,500 maximum to \$3,000
 - Add adult ortho
 - Increase ortho maximum to \$3K

Michele and Paula to review benefit and premium structure. Mike B. suggested incremental changes for dental.

- Kim thinks should discuss self-funded as well as other funding opportunities, i.e. reference pricing.
- Amanda and Josh agree that self-funding should be considered, as well as other options.
- Ralph agreed, plus wanted to confirm tele-doc is included today. Michele confirmed and mentioned communication may be needed.

- GBS Client Service Plan

The Client Service Plan format changed for this year. Now includes previous year highlights and accomplishments. More of a narrative format rather than a calendar. Blaine's initial question was how come for 2016 it's so late. Michele agrees the process normally begins in November. Les clarified that it should be complete within 90 days of beginning of plan year. Michele suggested adding the Client Service Plan discussion as an agenda each Nov and Jan to assure on time completion. Neida stated would meet the needs of GBS compliance requirements as well as the Trusts best interest for planning. Michele requested that the Trustees review the document and forward questions to her, copying the Trustees. Michele will finalize the document and Mike will sign at the July meeting.

2. Communication Strategy

- Phase I Overview

What is Phase 1 cost: \$15K worth of discovery into the communication project?

Josh asked how Work Force Evaluation (WFE) translates to a communication plan. Pepper explained that WFE is proprietary tool created by GBS. It is a tool that integrates data and provides very rich, valuable data to best analyze the workforce to help design an effective communication plan. It can be used in other areas as well, such as plan design. The key to a communication strategy is to impact engagement. Mike asked what is meant by “rich”. Pepper said richness comes from looking at the data in a number of ways. Every WFE has demonstrated a story of that organization. Then, follow-up interviews become very valuable.

Pepper provided an example of where WFE identified a specific opportunity. A WFE identified that people in pre-retirement state of life were not enrolled in HSA being offered by their employer. It could be very helpful to take advantage of savings so they can pay for medical premiums at retirement. The employer could target communication for that group to help them understand the advantages for the plan.

Mike asked how utilizing the info from one or two people on campus represents campus needs. How do we know it’s aligned with and effective to help reach employee populations? Pepper said would have to rely on Trustees to find the right representative or representatives. Can be a group of individuals or one person. Can be separate calls or group interview. Analytical phase could encompass an employee survey. Prior feedback has been that employees have been saturated with surveys. Mike stressed that it is important to engage spouses. Pepper mentioned web portal is important in this area.

Blaine asked if there is something can be done to help prioritize communication to programs that will give the most bang for the buck. Paula said utilization reporting may identify opportunities. Blaine liked idea of Castlight’s Hub. The menu on the right that could make it easy to see all programs. Mike rephrased, GBS will look at what is available through Anthem, look for gaps and organize plan for communicating to members. Michele expressed that this will be reviewed in cycles, periodically looking at demographics again if there are changes. Paula said, for spouses, could they create information that spouses could pick up or walk away with at health fair.

Web Benefits Design recently released enhanced capabilities. Pepper saw a demo and said the enhancements are visibly impressive and the portal may be a solution for sharing communications with members. Michele suggested providing a demo in July meeting.

Neida and Karen are becoming familiar with the enhanced Web Benefits Design. Neida walked through some of the changes and the organization of content. Can link to Anthem. Web benefits can be set up so that each campus can have separate login for employees so each school can have specific access to content. Blaine asked if it could be branded by school. Can put CHEIBA entity logo along with all school logos are included. Ralph said if want to promote Teledoc or another program, they could customize campaign for just their school. Communication section is separate and you would have control over posting any campus specific pieces. Michele pointed out that Web Benefits also has online enrollment tool.

Mike is concerned whether the path the Trust is taking and the resources being allocated are going to get them where they want to be. Michele confirmed working on WFE now and want to provide review of data in July. Neida and Karen will continue to work on Web Benefits. Pepper agreed and said interviews will take some time so this will likely not be done before the July meeting. Mike said one concern is timing. OE starts in October. Need to look at that date and work backwards to identify when things have to be completed. If campus doesn’t have time to dedicate to interview, should it

hold all schools up? Michele agreed that we could work with what we have for this OE and improve next year. Long term strategic goals that incorporate Anthem's info and benefit.

Structure of Interview Process:

Can be one person or several. Analytics that come out of this to develop strategy. Want to assure questions are generate valuable/usable information obtained from the schools. Mike and Tracy commented on the question set. First five questions seem appropriate for benefit team then 6 – 10 seem appropriate for others within the organization for communication strategy.

Kim, thinks the questions set is complicated. She is concerned that questions are broad and might be difficult to give useful information. She feels she may need to poll employee population about their preferences in communication channels, etc. Blaine thinks basic methodology is skewed. If go to a campus engagement committee, these are people who are already engaged.

Pepper said it must come back to the tone of the communication. You want the employees to recognize the tone and culture of each school. Kim mentioned culture is difficult concept. Darren agrees, it's difficult to describe culture as difference in opinion. Paula said info doesn't matter until you need it now. How do you organize the information so it's easy to find. Pepper agrees. She sees developing campaigns for programs and resources and develop library for employees to utilize. WFE will be valuable and will provide a story. Interview will be helpful with just to get general information, and is just first step. Marshall wants suggestions on how to proceed and have a place for employees to get information.

Blaine - seems like a lot of effort to create special profile of their organization. Feels need for a robust library. Michele hears from others that they want communications tailored to their organization, associated with their populations. Some want YouTube videos. Another issue with Trust is that they have additional layers and branding is an issue. Darren said issue with adding additional place to go for employees. Josh said Trustees can make suggestions based on what GBS provides back from WFE. Marshall says feels like they are fine tuning before we are ready. Marshall does not feel that the differences would be that great.

Kim, what topics seem to gain traction from your school? Why do people choose to work at your organization? Don't forget about highest utilization claims where can get the most value. Josh suggested to look at common questions from employees ... top 5 things you want your employees to know. Kim agrees need one place to go for all info. Neida commented that Web Design could be that answer providing one place with links to any outside resources. Ann thinks interviews are important but thinks should talk to one or two of faculty members so you don't just have one or two people's perception.

Michele agreed that the question set is too general, interview set up as more as a discussion may be the most helpful to you. Michele to pull discuss guide together with Pepper. Each Trustee needs to communicate who would should be involved in the discussion, then Michele will schedule the interviews accordingly.

- Dispatch Health (Communications Package)

Information included in the packet with Dispatch Health communications. Michele shared an email including an expansion plan for the Denver Metro and surrounding areas. Michele discussed the options available at a cost. Paula said Dispatch Health is anxious to promote their service to employees and even offered to mail promotional materials to individual's homes. Trustees agreed it is

not a good idea to share addresses. Mike noted that it is important to reach the person taking care of the kids.

- Benefits Administration System
 - Web Benefits Design (see above)
 - PlanSource (Anthem)

Paula shared a microsite that can be designed by Anthem, a custom website for CHEIBA and colleges to use as repository. The basic site can be built at no cost. There is a cost for the customized site for CSU. Michele asked if it could customize with landing page for each column. Templates that can be shared and CHEIBA to select from. Darren asked if there is a single login with Anthem, and Paula confirmed, yes. Marshall asked if there are employers that use single login link.

- Plan Source:

Current business partner that provides for online eligibility. Also has a plan comparison tool available within their suite of offerings. See information included in packet. Could be set up campus by campus. Paula to check on pricing if set up campus by campus. Neida asked if since they already have a relationship with Anthem, would there be efficiencies with set up. Paula said yes, they do have special pricing and they can be able to work with all carriers. Mike asked if site would link to the plan a member is enrolled in. Paula said it is built for CHEIBA and would automatically have their plan options programmed in the tool. CSU did like the tool, but preferred the feel of Jelly Vision for their employees.

- Jelly Vision (Anthem)

See flyer in packet for list of eTutorials available through Jelly Vision at no cost. Desiree played a Jelly Vision video for Where to Go other than an ER. CSU is building a customized tutorial for selecting a plan using CSU plans. It will cost anywhere from \$62K - \$150K. CHEIBA is welcome to use any of the standard Jelly Vision videos at any time. They can be used to complement campaigns in the overall communication strategy.

- Castlight Presentation – Kim Eberhardt from Castlight

Kim reviewed presentation included in packets. Castlight started with basic transparency with cost and quality in 2008 and expanded to innovation. They currently have 200 customers and have a strong commitment to innovation and technology. Available for fully insured or self-funded plans. Anthem will be rolling out Castlight technology around this time next year. They are currently working on integrated platform for logging on to the Anthem.com member portal.

Today, Anthem members can find cost and transparency information using drop down menus. In the future, tools will be embedded within the provider search tool. When using the tool, it will know your plan design, your network, where you are with your deductible, out of pocket limits, etc. You cannot access the site as guest, only as registered user. The search functionality will be similar to Amazon, with the ability to search by condition. Cost effective alternatives will display first (i.e., outpatient facilities, urgent care, LiveHealth online, etc.). Today quality and cost are in two places. In the future, they will be in one place.

Emphasis placed on simplification of key words for specialists (i.e., throat doctor). Bolstering educational content, like WebMD for about 400 conditions and procedures. When searching by condition, a ribbon on side allows redirection for educational links. Can filter, sift and sort providers many different ways.

Ralph asked if you can find out more about how you evaluate quality. Kim explained that quality ratings are available and clearly explained. You can see comments from members on satisfaction as well. Marshall asked if non-standard benefit details would be reflected accurately. Desiree said it could very well be at that level depending on how coded. Mike asked how data is sorted. What does least expensive mean, to whom? Kim confirmed that there is a drop down menu and you can select to have the search results return in a variety of ways. It defaults to least expensive but can select many other options include distance, language, male or female, etc. The features in Castlight are supported by Anthem mobile as well. The tools described above will be automatically be included at no additional charge for Anthem clients, both fully insured and self-funded.

If the Trust were to go self-funded, there will be an option to purchase an expanded package that includes the Castlight “Hub”, which provides a place to manage all health and wellness benefits in one place, under a single sign in.

- Health Living & Wellness – activity tracking, incentives, life coaching
- Decision Support – Integrated medical, dental, Rx and behavior health decision support & transparency tools. Allows for direction to health benefit engagement.
- Total Benefits Portal – Supports all benefit including retirement and voluntary products. Access for full population. Link-outs or integration will all administrators. Allows for promotion of non-health benefits.

Online reporting is available to report to clients what people are looking at within the website. Ralph asked if PHI would be included. Data would be at an aggregate level. A view of upcoming claims is available in some cases.

Blaine clarified that the Hub would be available if the Trust were to go self-funded. All features from page 15 on in the presentation are included in the optional buy-up package. The base transparency features, including the mobile app capabilities, will be available to fully-insured groups.

Marshall stated that with Castlight, spending time and energy to share data with CBGH is redundant. Michele said CBGH is looking at a market view, not member specific. CBGH uses the data to influence the market. Marshall says that they will need to consider what extra value CBGH adds, while considering a commitment going forward. Josh said at the very least, Castlight will give some immediate tools and information for the members.

Michele requested detail on what reporting is specifically available for fully insured from Anthem vs. self-funded clients. Paula said if fully insured and you would like ad hoc info, Anthem can run reporting to take a deeper dive on specific claims.

Marshall discussed that the Hub may meet their needs for distributing member communications. Mike said that even without having CBGH information, he believes the Trust has a great deal of reporting information now. However, CBGH has a great deal of additional information to offer. What can CBGH do to affect the healthcare cost curve? Michele said they can affect the negotiation process. Mike said that with Anthem’s market size, they already should be doing a good job with these negotiations. Mike stressed the importance of finding a way to make bundled pricing work. Marshall reinforced that they are definitely okay with the investment for cost and quality, but want to be sure there is ROI.

Mike asked if anyone has promoted Dispatch Health to members yet. Nobody had at this point.

3. Anthem Update

- Actuarial Equivalency

Mike B presented Actuarial Equivalency in March meeting, stating that the actuaries had changed the modeling basis. With the change in actuarial pricing within the entire Anthem book of business, it

created a significant enough shift within the base that the actuarial equivalency for the PPO is now 5% higher than the HMO/POS plan. For 19-20 years, the actuarial equivalency has been within 1% for all CHEIBA plan offerings. With the restructuring and the PPO now pushed to a 5% differential, Blaine stated we may have a problem. Mike B. said doesn't mean the rate has to increase by 5% or the premium would go up too much. You could take an approach to lower the HMO rate by 1.5% and increasing PPO 3.5%. This could create an actuarial balance. Mike said if we took that approach, the PPO loss ratio could be off. Michele and Mike B. will work together between now and the July meeting to work an appropriate approach for underwriting the upcoming 2017 renewal.

- Whole Health Connection (Anthem Whole Health) and Dental Plan

Paula provided a sample of a Network Update newsletter sent to Anthem providers on a monthly basis. The April 2016 edition included an article about AWH Connection. The article addresses that dental data is integrated as well. Annmarie confirmed that within last 6 months, a mailing was sent to all dentists reminding them of the AWH Connection program.

Annmarie and Paula also confirmed that 3rd dental cleanings are available for members with pregnancies, diabetes, certain cardiac conditions, organ transplant candidates, bone marrow candidates and cancer patients undergoing radiation. Gaps in care and care management alerts go out to care managers. Alerts go to medical providers. Once the members are engaged in the care management program, they are mailed a letter to take to their dentist for an additional cleaning. Providers have access to eligibility. Annmarie can provide flyers to share with employees. Additional touchpoints will be sent by Paula as well.

- All Clear

Paula stated that everyone had coverage for two years and that date will be expanded. All new employees are getting All Clear from the beginning. Paula pointed out communication piece in packet that is being sent to newly eligible employees. Darren and Mike suggested this should be included as part of the new benefits orientation package.

- Performance Guarantees – Financial Accuracy

Paula provided an overview of the PG results for the first quarter.

- Dental - targets all met at 100%
- Medical – Financial Accuracy was missed due to one claim being paid incorrectly in Jan, Feb and March. CHEIBA will receive a payout of \$16,666.
- Paula reminded the Trustees that CHEIBA has a dedicated team for customer service and claims payment. Every week auditors pull claims by specific claims strata, by different dollar categories. Any claims over \$39K are considered high dollar claims, and there are 40 examiners on the team who pay these claims. In December, auditors identified claim that was paid incorrectly resulted in a large financial error. The same service for the same person was paid incorrectly again in January, February and March. The claim is now being processed manually and was paid correctly in April. Without this error, their Financial Accuracy would have been 99.35% for Q1 2016, and 99.6% for 2015.

- Premium Holiday

Mike B. confirmed that there was no reason to amend the contract to release funds for the premium holiday. Mike B. mentioned that this is a rare request, and he was not clear on process. It is basically a timing issue. In November, the reserve exhibit is intended to show estimates, knowing that it will not be finalized until June of the next year. At the time you are making a decision, you are making it based on what reserves are reflected as needed for the medical plan and what you currently have available in the life reserve for use. Mike B. doesn't think the 120 days timing is an issue. What needed to be

stated was where the funds were coming from. Mike B. will use the letter from CHEIBA as documentation for the decision. Michele asked can't we just use the minutes for formal documentation, trigger for the process. In future, Mike B. feels since minutes are public record, they should be sufficient documentation of the decision. Blaine suggested making a motion to request Anthem transfer the funds from X to Y. Michele restated that she has never experienced taking the reserves from Life. Mike B. again took responsibility that he should have been the one to handle at Anthem. Within a week, Mike B. will confirm that using the minutes for formal documentation is sufficient.

- Anthem/ESI Lawsuit

Jim Thorne provided an update on Anthem ESI lawsuit. ESI filed a counter suit about 6 weeks ago. Jim is not at liberty to discuss further. Michele said News organizations are making the statement that it could put a tailspin in the Anthem/Cigna merger. Cigna is two years into 10 year deal with a PBM of their own. Kim asked if this will affect members. Jim noted that it will be years down the road before resolved but there is no impact today or in the near future on members.

ESI has an app as well. Can do price comparisons between pharmacies. Can look up a variety of different info on benefits.

Michele suggested that Jim share any updates related to Anthem's Pharmacy product. Jim mentioned that they are introducing the Essential Drug formulary for fully insured. They have a Preferred Formulary for ASO currently, but are considering for fully-insured as well. A new network is being released in Colorado, eliminating Walgreens. Michele noted that the transition went smoothly last time they eliminated Walgreens. The network is anchored by CVS, and they just bought Target pharmacies. King Soopers and City Markets are included as well. If you go out of network, the benefits are still paid but the member pays an extra \$10 for each tier. There are potential cost savings, but can evaluate if interested.

A Pharmacy review will be presented in July. Bridget will be presenting pharmacy matrix at that meeting. She will present two or three programs that may have been of interest. Ralph asked a specific pharmacy question about a drug with a generic that hasn't dropped in price. Jim explained that the specific drug meets exclusivity until end of year. They have 6-9 months to regain capital once a generic is introduced. Once that time period expires, you see relief in pricing.

- Amendment 69 (discussion above under Freestanding ER House Bill)
- Other Anthem Updates

Anthem confirmed that Metro & Auraria/Colorado School of Mines are moving forward with the Vision pop up clinics. They are scheduled for back to back weeks in September.

F. DISCUSSION AND INFORMATIONAL ITEMS:

4. Treasurer's Report –

The Operating Account balance is approximately \$110K. The balance doesn't include the \$55K just deposited. Paula also indicated another Performance Guarantee payout of \$16,666 is coming. The average spending of the Operating Account is \$150 – \$200K per year, expanding as they go into other endeavors like CBGH. The Operating Account pays for legal fees, meeting expenses, specialty consulting needed (i.e., communications plan), health fairs \$40-\$50K and benefit booklets. A general ledger is kept with additional detail if interested.

Karen from Gallagher and Blaine independently reconcile quarterly to assure everything balances. Alan Holmberg is aware of process.

5. Financial Audit

Blaine introduced Alan Holmberg, Auditor from Anderson and Whitney. Alan conducted most of field work on Audit. Met approximately a month ago to review draft audit. Alan gave the Trustees an overall summary of the audit. Refer to the Audit report for specifics.

Alan commented that the audit went very smoothly with no delays, discrepancies or difficulties. No adjustments were needed to financial statements. Trustees were very cooperative. Mike asked for questions or comments. Marshall commented that staff at Anderson & Whitney were very professional and they appreciate the amount of time spent meeting with Trustees individually to meet their unique needs. Blaine reminded everyone that each Trustee is required to provide a copy of the report to his or her CFO. Mike asked if a motion is needed to approve the audit. Marshall does not believe so.

EXECUTIVE SESSION - The Trust may convene in executive session pursuant to §24-6-402(3)(a)(II), C.R.S., to confer with the Trust's attorneys for the purpose of receiving legal advice.

No Executive Session was held

G. ADJOURNMENT

A motion was made to adjourn the meeting. The motion was seconded and approved.