

LAKE HAVASU SCHOOLS EMPLOYEE BENEFIT TRUST

2200 Havasupai Blvd., Lake Havasu City, AZ 86403

Trust Board Minutes

March 22, 2021

REGULAR MEETING:

1. Routine Opening of Meeting – Call to Order

The Regular Meeting of the Board of Trustees of the Lake Havasu Schools Employee Benefit Trust was called to order by Trust Chairperson, Marcia Cox, at 5:00 p.m. on March 22, 2021.

1.1 Roll Call

BOARD MEMBERS PRESENT: Marcia Cox, Chairperson
Amy Barney, Trustee
Stephanie Lueras, Trustee
Julie Sasseen, Trustee

BOARD MEMBERS ABSENT: N/A

GOVERNING BOARD MEMBERS PRESENT: N/A

ADMINISTRATION PRESENT: Dr. Rebecca Stone, Superintendent
Mike Murray, Director of Business Services
Naomi Morgan, Administrative Assistant

OTHERS: Mike Hensley, Jones Skelton & Hochuli – Legal Counsel (Via Phone)
Jaime Schulenberg, ECA, A Gallagher Company – Broker/Consultant
Public - 1

1.2 Call for an Executive Session

Ms. Schulenberg confirmed that legal counsel was available if there was a need for legal advice on the two appeals on the agenda.

2. Call to the Public – None

3. Old Business

3.1 Approval of October 22, 2020 Regular and Executive Minutes

Trustee Barney moved to accept the minutes as presented, seconded by Trustee Sasseen, and unanimously approved.

3.2 Medical Claims Appeal #1

Ms. Schulenberg reminded the Board that during the October 22, 2020 meeting, they heard an appeal from a member who was requesting coverage for a mammogram done by a company other than Mobile Onsite Mammography. Trustees voted to pend a decision on the appeal and request that the member provide a letter from her doctor that could be presented to Gilsbar for reconsideration. Ms. Schulenberg requested that letter but never received a response and therefore recommended denial of the appeal.

Trustee Sasseen recused herself from voting on this appeal. Trustee Barney moved to deny the appeal, seconded by Trustee Lueras and approved by majority.

3.3 Medical Claims Appeal #2

Ms. Schulenberg again reminded the Board that during the October 22, 2020 meeting, they heard an appeal from a member who was requesting additional payment for emergency hospitalization at an out-of-network hospital at the onset of COVID. Trustees voted to pend a decision on the appeal and directed staff to try and negotiate additional payment for the Board's consideration.

Ms. Schulenberg worked with American Health Group to negotiate with the hospital, who agreed that they would only accept 40% off billed charges, which would result in additional payment of \$18,365.06.

Trustee Sasseen recused herself from voting on this appeal. Trustee Barney moved to approve the additional payment/appeal, seconded by Trustee Lueras and approved by majority.

4. New Business

4.1 Discussion and Possible Action re Continued Operation of the Trust

Chairperson Cox introduced this item, noting that she had asked the Trust's legal counsel, Mike Hensley, to provide an opinion on whether the Trust could continue to operate after its financial obligations had been fulfilled to ensure that the remaining dollars would be used for acceptable purposes rather than be diverted to NAEBT. Mr. Hensley reported that he had researched options and felt that the Trust could continue to operate, with the Governing Board's approval, meeting once or twice a year to approve financial

expenditures from the Trust for benefits-related expenses and that no changes to the Trust Document would be necessary.

Mr. Murray asked whether he could simply send ECA/Gallagher the insurance invoice on a monthly basis for payment; Ms. Schulenberg said she would have to figure out the logistics but that should not be a problem.

Chairperson Cox moved to arrange for the Trust to pay the monthly NAEBT premiums once wind-down is completed and until the Trust funds are depleted, seconded by Trustee Lueras and unanimously approved.

4.2 Approval of October 2020 – February 2021 Financials

Ms. Schulenberg reviewed the financials through February 28, 2021. She reported that as expected, claims activity is declining with \$11,906 in medical paid in February. The only outstanding administrative expenses are for legal and claims runout. She also reported that there is one large claim that exceeded the specific deductible but was not received in time for payment under the LHSEBT policy; she is working with NAEBT to attempt to recover funds from that policy.

Trustee Barney moved to approve the October 2020 through February 2021 Financials, seconded by Trustee Lueras and unanimously approved.

4.3 Updates and Announcements

Ms. Schulenberg did not have any updates or announcements to share.

Trustee Barney noted that her term would be expiring June 30, 2021, as was Trustee Sasseen's. Mr. Murray said they would take that item to the Governing Board in April or May; both Trustee Barney and Sasseen offered to remain on the Board through the run-out and continued operations.

Trustee Barney moved to adjourn at 5:30pm, seconded by Chairperson Cox and unanimously approved.

Next Meeting:

TBD/October 2021

Video of the entire meeting may be seen on the District website (www.havasu.k12.az.us) under EBT Documents.

Minutes of the Trust Board Meeting of March 22, 2021 are approved as submitted.

Marcia Cox, Chairperson