

City of Coeur d'Alene Employee Benefits Trust
Meeting Minutes – May 22, 2024, 11:00 a.m.

Location: 710 E. Mullan Avenue, City Hall Conference Room 6

Trustees in attendance: Randy Adams, Bill Dodd, Vonnie Jensen, Melissa Tosi, Mike Becker

Trustees absent: None

The meeting was called to order by Randy Adams at 11:01 a.m., noting all trustees were present.

The meeting minutes from the regular meeting on March 13, 2024, were presented.

Melissa Tosi made a motion to approve the minutes as presented, seconded by Mike Becker. The minutes were approved unanimously.

The monthly financial report was presented by Vonnie Jensen. The report shows claims have been running consistently high. Comparing current expenses to this time last year, expenses are approximately \$900,000 higher and revenues are only approximately \$200,000 higher. Vonnie Jensen made a motion to approve the monthly financial reports, seconded by Bill Dodd. The motion was approved unanimously.

Nancy Nelson covered the monthly plan experience report for October 2023 through March 2024, comparing it to the same time frame in the prior year. The trust's overall loss ratio is currently 105.70% which means the trust is spending more than it is taking in. Total gross claims (Medical/Rx) are up 29.8% from the prior year, which is partially due to a consistent group of high-cost claimants. Large claims cost, in excess of \$50,000, are also up 100% from the same time frame in the prior year.

Nancy Nelson also covered the Payer Matrix savings analysis. Pay Matrix is a required program for members that reduces the cost of high-dollar specialty prescription drugs by obtaining alternative funding through a manufacturer's assistance program. This program would lower the cost to the trust of certain prescriptions by approximately 50-75%. Based on 12 months of historical claims data from March 2023-February 2024, there were 9 identified members with a potential annual savings of approximately \$370,759.

Nancy Nelson also discussed the Pharmacy Benefits Manager (PBM) financial analysis. Currently our PBM, Optum Rx, is embedded with Regence. Nancy discussed the anticipated savings if the trust were to unbundle our PBM. Milliman will be providing all three options to review and consider by the Board. The first option would be to make no changes to the current plan. The second option would be to implement Payer Matrix, anticipated first year contract savings of approximately \$118,860. The third option would be to unbundle PBM from Regence and consider Welldyne as the new PBM, with anticipated first year contract savings of approximately \$206,780.

The next meeting will be on June 26, 2024, at 11:00 a.m.

Mike Becker made a motion to adjourn, seconded by Bill Dodd. The meeting was adjourned at 12:07 p.m.