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Montana Association of Counties

Health Care Trust

SEP 13 2019

2717 SKYWAY DRIVE, SUITE D, HELENA, MT 59602

(406) 443-8102 (toll free) 866-669-6428 Fax (406) 443-8103

www.mtcounties.org/hct

SEP 13 2019

County Commissioners

County Commissioners

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DATE: September 6, 2019

TO: MACo Health Care Trust Member Entities (Counties)

- |            |               |             |              |
|------------|---------------|-------------|--------------|
| Beaverhead | Fergus        | Lake        | Powder River |
| Big Horn   | Garfield      | Liberty     | Ravalli      |
| Blaine     | Glacier       | McCone      | Teton        |
| Carbon     | Golden Valley | Mineral     | Toole        |
| Cascade    | Granite       | Musselshell | Treasure     |
| Chouteau   | Hill          | Park        | Valley       |
| Custer     | Judith Basin  | Petroleum   | Wibaux       |
| Dawson     |               |             |              |

MACo Health Care Trust Affiliate Entities (Counties)

- |         |             |             |
|---------|-------------|-------------|
| Fallon  | Sanders     | Wheatland   |
| Madison | Sheridan    | Yellowstone |
| Powell  | Stillwater  |             |
| Prairie | Sweet Grass |             |

FROM: Eric Bryson, Trust Secretary

RE: Annual Meeting of the MACo Health Care Trust

Notice is hereby given that the 13<sup>th</sup> Annual Meeting of the Montana Association of Counties Health Care Trust (MACoHCT) will be held at the Best Western Heritage Inn, 1700 Fox Farm Road, in Missoula, MT at **4:00 p.m. on Tuesday, September 24, 2019**. The agenda for the meeting is enclosed.

Per the MACoHCT Trust Agreement, **attendance by fifteen (15) Member Entities (counties) is necessary to constitute a quorum** to conduct the business of the Trust. Affiliate Entities (counties) are encouraged to attend. Per the HCT Agreement and Declaration of Trust, only Member Entities (counties) have voting privileges. Proxy voting is allowed per the MACoHCT Agreement and Declaration of Trust. Please see the enclosed information regarding proxy voting. We hope to see all members present and participating!



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## **MACo Health Care Trust 13<sup>th</sup> Annual Membership Meeting Tuesday, September 24, 2019 Best Western Heritage Inn Great Falls, MT**

**4:00 p.m.**

### **AGENDA**

1. **Welcome and Introductions:** Mike McGinley, Chair
2. **New Mission Statement:** Mike McGinley, Chair
3. **Approval of the Minutes:** September 18, 2018 Annual Membership Meeting
4. **Elect one trustee to a four-year term:** The term of Trustee Tom Berry, Musselshell County Commissioner, expires at this meeting. Nominations will be accepted from the floor for the election of one Trustee for a four-year term on the MACo Health Care Trust Board of Trustees. The term will expire at the Annual Membership meeting in September 2023.
5. **Proposed Amendment to the MACo HCT Agreement & Declaration of Trust:**
6. **MACo HCT Wellness Program:** Mike McGinley, Chair
7. **Annual Reports to the Membership on the State of the Trust:**
  - a. **Board of Trustees:** Mike McGinley, Chair
  - b. **Financial:**
    - i. **Actuarial Report:** Dave Turner, Turner Actuary & Consulting
    - ii. **FY 18 Audited Financial Statements:** Kathy Johnson, MACo Finance Director
    - iii. **New Fiscal Year:** Kathy Johnson, MACo Finance Director
  - c. **Administration:** Jason Rittal, MACo Deputy Director
8. **Any other business that properly comes before the membership.**



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### MACo Health Care Trust 12th Annual Membership Meeting September 18, 2018 Missoula, MT

- 1. Welcome, Roll Call and Introductions:** Chair McGinley called the meeting to order, and roll call and introductions were conducted.

#### Trustees:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Mike McGinley, Beaverhead Co., Chair | <input checked="" type="checkbox"/> Kevin Krausz, Custer Co.   |
| <input checked="" type="checkbox"/> Joe Briggs, Cascade Co., Vice Chair  | <input checked="" type="checkbox"/> Tom Berry, Musselshell Co. |
| <input checked="" type="checkbox"/> Jerry Collins, Garfield Co.          | <input type="checkbox"/> Carl Seilstad, Fergus Co.             |
| <input checked="" type="checkbox"/> Eric Bryson, Trust Secretary         |  |

#### MACo Health Care Trust Member Entities (Counties)

- |  |  |  |  |
|--|--|--|--|
| <input checked="" type="checkbox"/> Beaverhead | <input checked="" type="checkbox"/> Dawson   | <input checked="" type="checkbox"/> Judith Basin | <input type="checkbox"/> Petroleum               |
| <input checked="" type="checkbox"/> Big Horn   | <input checked="" type="checkbox"/> Fergus   | <input checked="" type="checkbox"/> Lake         | <input checked="" type="checkbox"/> Powder River |
| <input checked="" type="checkbox"/> Blaine     | <input checked="" type="checkbox"/> Garfield | <input checked="" type="checkbox"/> Liberty      | <input checked="" type="checkbox"/> Teton        |
| <input checked="" type="checkbox"/> Carbon     | <input type="checkbox"/> Glacier             | <input checked="" type="checkbox"/> McCone       | <input checked="" type="checkbox"/> Toole        |
| <input checked="" type="checkbox"/> Cascade    | <input type="checkbox"/> Golden Valley       | <input checked="" type="checkbox"/> Mineral      | <input checked="" type="checkbox"/> Treasure     |
| <input type="checkbox"/> Chouteau              | <input checked="" type="checkbox"/> Granite  | <input checked="" type="checkbox"/> Musselshell  | <input checked="" type="checkbox"/> Valley       |
| <input checked="" type="checkbox"/> Custer     | <input checked="" type="checkbox"/> Hill     | <input checked="" type="checkbox"/> Park         | <input type="checkbox"/> Wibaux                  |

- 2. Approval of the Minutes:** Commissioner Collins moved and Commissioner Hendrickson seconded to approve the minutes of the September 19, 2017 Annual Membership Meeting as presented. Motion carried unanimously.
- 3. Elect One Trustee to a Four-Year Term:** Vice Chair Krausz called for nominations for the election of one Trustee for a four-year term on the MACo Health Care Trust Board of Trustees. Commissioner Mike McGinley was nominated. It was moved and seconded to close nominations and cast a unanimous ballot. Motion carried. Beaverhead County Commissioner Mike McGinley was elected to a four-year term that will expire at the Annual Membership meeting in September 2022.
- 4. Annual Reports to the Membership on the State of the Trust:**
  - a. Board of Trustees:** Chair McGinley introduced the HCT dedicated staff and reviewed the activities of the Trust over the last year, including welcoming new member counties Sheridan and Sweet Grass counties. Chair McGinley also reported on the new Reference Based Pricing program, participation and eligibility audits, the Wellness Program, and the work with Innovative Rx to assist with the RFP for a new Pharmacy Benefit Manager effective January 1, 2019.

Chair McGinley welcomed new MACo Executive Director Eric Bryson and thanked his fellow Trustees and all the staff for their work and support.

- b. **Financial:** Dave Turner, Turner Actuarial and Consulting, gave a presentation on the State of the Trust. He reported that MACoHCT claims have increased by about 5.2% PEPM annually over the past 24 months, which is well below the industry average of 8%-10% increases per year. Fixed costs are approximately 10% of total costs.

Mr. Turner reported that the Trust is in a very sound financial position as the Trust IBNR and a 95% confidence level are fully funded, with an additional solid level of member equity. This helps offset unexpected large claims, attract new groups, add benefits, and keep rates stable.

- c. **Administration:** Trust Administrator Alyce Bailey provided an overview of the new Reference Based Pricing and added it would not have been possible without Allegiance taking the lead on the contract negotiations with the providers. Under the program, medical claims will be more predictable and transparent and medical facilities remain cost neutral. Both the State and MMIA implemented RBP in July of 2017 and have saved hundreds of thousands of dollars in claims, which helps rate stability.

Ms. Bailey reported that Innovative Rx Strategies assisted with the process of issuing an RFP for a Pharmacy Benefit Manager. The responses have been reviewed, finalists were interviewed, and a final decision is pending.

Ms. Bailey introduced Taylaur Nordhagen, the MACoHCT Wellness Coordinator, and reported that Taylaur is in the process of creating educational materials and developing wellness challenges, and the Trust will be rolling out a robust wellness program soon.

The Trust also issued an RFP and has entered into a contract with a company to implement online enrollment. Members will be able to sign up and see their benefits online. This will be rolled out in 2019.

Finally, Ms. Bailey thanked the staff for going above and beyond to serve the members, and well as the Trustees for providing a positive and constructive environment.

There being no further business, the meeting adjourned at 4:35 p.m.



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## 2019 PROPOSED AMENDMENT TO THE MACo HEALTH CARE TRUST AGREEMENT AND DECLARATION OF TRUST

### SECTION 1: DEFINITIONS

**Sub-Entity** shall mean an employer which can obtain health coverage for its employees under a group health plan sponsored by a Member Entity as authorized by M.C.A. 2-18-702. A Sub-Entity does not include a medical facility, nursing home, long-term care facility, economic development ~~corporation or other employers as defined by M.C.A. 2-18-705 whose employees are W-2 employees of a county under the county's employer identification number.~~

This amendment is effective upon passage and approval.

The proposed amendment to the MACo Health Care Trust Agreement and Declaration of Trust will incorporate changes into the language regarding the definition of Sub-Entities, as the referenced statute terminated in 2017.



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## MACo HEALTH CARE TRUST

### PROXY VOTING

#### PER SECTION 9 OF MACo HEALTH CARE TRUST AGREEMENT AND DECLARATION OF TRUST

#### 9.06 Quorum and Conduct of Business.

- C. A Trustee or Member may vote by proxy only if the proxy is in writing, is limited to particular matters or motions specified in the written proxy and the written proxy gives direction to the member or Trustee holding the proxy regarding how the absent Trustee's or Member's vote is to be cast. **Written proxies shall be delivered to the Trust Secretary at or prior to the convening of the meeting.**
- D. Proxies shall be in substantially the following form:

#### GRANT OF PROXY

In accordance with Section 9.06(C) of the Amended and Restated Agreement and Declaration of Trust of the Montana Association of Counties Health Care Trust we/I hereby grant our/my proxy to (insert name of individual and member entity county) for the purpose of voting on (specify the matter(s) for which the proxy is granted) for the meeting of the Member Entities or Trustees to be held on (insert date of meeting) and direct that our/my vote be cast as follows:

\_\_\_\_\_.

(Signature of Member Entity Representative or Trustee)

Dated this \_\_\_\_\_ day of September 2019.

- E. A written proxy may establish a quorum only for purposes of acting on the matters specified in the proxy.

**PROXY FORMS WILL BE AVAILABLE AT THE  
CONFERENCE REGISTRATION DESK**