



City of Detroit General Retiree Healthcare Trust

City of Detroit General Retiree Healthcare (RHC) Trust Meeting Minutes

Tuesday, April 23, 2024, Regular Meeting
BeneSys, Inc., 700 Tower Drive, Troy, MI 48098

I. Call to order and Roll call

- A. A Regular meeting of the Board of Trustees of the Detroit General RHC Trust was called to Order by Chairperson Tom Sheehan at 1:06 p.m.
- B. **Board Members present at roll call:** Chairperson Thomas Sheehan; Trustee Barbara Wise-Johnson; Trustee Charles Gayney; Trustee Floyd Allen (via telephone): As four (4) Trustees are required to make a quorum and four (4) were present, Chairperson Sheehan declared a quorum and the meeting proceeded.
- C. **Others Present:** Frank Judd, Violet Gjorgjevski and Jennifer Crosby

II. Approval of Agenda

Motion was made by Trustee Gayney and seconded by Trustee Wise-Johnson to approve the agenda. **Motion** passed unanimously.

III. Public Comment – None

IV. Regular Agenda

A. Approval of the March 26, 2024, Meeting Minutes

Motion was made by Trustee Wise-Johnson and seconded by Trustee Gayney to approve the meeting minutes for March 26, 2024, as amended. **Motion** passed unanimously.

B. Approval of the April 9, 2024, Special Meeting Minutes

Motion was made by Trustee Wise-Johnson and seconded by Trustee Gayney to approve the special meeting minutes for April 9, 2024, as presented. **Motion** passed unanimously.

C. Approval of the April 9, 2024, Closed Special Meeting Minutes

Motion was made by Trustee Gayney and seconded by Trustee Wise-Johnson to approve the closed special meeting minutes for April 9, 2024, as presented. **Motion** passed unanimously.

Trustee Stevens joined meeting 1:09 p.m.

V. Financial Reports

A. Fifth Third Statement – March 2024

Motion was made by Trustee Gayney and seconded by Trustee Wise-Johnson to approve and accept the Fifth Third Statement for March 2024. **Motion** passed unanimously.

B. Principal Statement – February 2024

Motion was made by Trustee Gayney and seconded by Trustee Wise-Johnson to approve and accept the Principal Statement for February 2024. **Motion** passed unanimously.

C. Financial Statement – February 2024

Motion was made by Trustee Stevens and seconded by Trustee Gayney to approve and accept the Financial Statement for February 2024. **Motion** passed unanimously.

D. Bills for Approval

Invoices in the aggregate amount of \$34,508.96 were presented for payment from: BeneSys (\$34,508.96).

Motion was made by Trustee Wise-Johnson and seconded by Trustee Stevens to approve and authorize payment of the invoice subject to availability of funds. **Motion** passed unanimously.

E. Bills for Ratification (Sample)

Ms. Crosby presented a sample Bills for Ratification report that will be provided to the Board going forward to allow them to ratify the premium invoices that BeneSys has been authorized to pay monthly.

F. Fifth Third Bank Balance

Ms. Gjorgjevski provided the current cash balance from Fifth Third.

VI. Administrative Reports

A. BeneSys Barometers through February 2024

The BeneSys Barometers were provided as follows:

Eligible by Month - A report showing number of eligible members by month through the month of February 2024. This report reflects the breakdown of eligible members by HRA, HAP, Blue Care Network, and Blue Cross Blue Shield Medicare Advantage, Humana and Priority Health and a total of all participants. The number of total eligible participants as of February 2024 was 5,736, which is a decrease of 17 eligible participants from January 2024.

Income and Expenses by Month - A report showing the income and expenses, excluding investment income, for the months of February 2022 thru February 2024, was provided. This report shows an expense of \$1,226,668 at the end of February 2024.

Investment Income by Month - A report showing the investment gain/loss for the months of February 2022 thru February 2024 was provided. So far, 2024 is showing to be slightly lower than 2023.

Fund Assets - A report showing the assets and equity of the Fund for the months of February 2022 through February 2024 was provided for review. This report shows both Assets and Fund Equity have stayed consistent.

Benefit and Operating Costs by Month – A report showing the total benefit and operating costs for the months of February 2022 through February 2024 was provided.

Benefit Premiums Paid – A report showing the total premiums paid for medical, dental and vision for the months of February 2022 through February 29, 2024, was reviewed.

Motion was made by Trustee Wise-Johnson and seconded by Trustee Stevens to approve the BeneSys Barometers for February 2024 as presented. **Motion** passed unanimously.

B. BeneSys Claims Accuracy Report – 1st Q 2024

Ms. Crosby presented the Claims Accuracy Report for 1st Quarter 2024. BeneSys met the Performance Guarantee for Claims Accuracy in 1st Quarter 2024.

C. BeneSys Claims Performance Report – 1st Q 2024

Ms. Crosby presented the Claims Performance Report Report for 1st Quarter 2024. BeneSys met the Performance Guarantee for Claims Performance in 1st Quarter 2024.

D. BeneSys Telephone Response Time Report – 1st Q 2024

Ms. Crosby presented the Telephone Response Time Report for 1st Quarter 2024. BeneSys did not meet the Performance Guarantee for Telephone Response Time in 1st Quarter 2024 and will pay the 2% fee as a result.

Motion was made by Trustee Stevens and seconded by Trustee Wise-Johnson to accept and approve and the BeneSys Quarterly Performance Reports for 1st Quarter 2024 as presented. **Motion** passed unanimously.

VII. Financial Consultant

A. Monthly Performance Report – February 2024

B. Monthly Performance Report – March 2024

VIII. Blue Cross Blue Shield – Dan D’Amico, Michelle Gibbs, and Elizabeth Schmaltz

Mr. D’Amico, Ms. Gibbs, and Ms. Schmaltz provided the VEBA’s Annual Customer Review with the Board. They gave a very detailed and informative presentation that provided a view of overall spend with a population overview in relation to the top episodes (i.e. Diabetes, Hypertension, Osteoarthritis, Preventative Care, Cardiac Arrhythmias, Coronary Artery Disease, Eye Disorders and Renal Function Failure). They also gave a pharmacy overview that showed: an increase in cost of drugs despite a reduction in claimants, generic drugs are consistently the highest share of total prescriptions, the top 10 drugs prescribed and the overall spend of these drugs. Lastly, they reviewed Chronic Conditions, Diabetes, Behavioral Health, and Musculoskeletal to give an overview of each as it affects the participants.

The Board had asked for specific information regarding number of members who reached the in-network out-of-pocket maximum and the maximum out-of-pocket for combined in and out of network. In addition, they wanted to know how many members had utilized the new prescription hearing aid benefit. This information was provided and reviewed.

In addition, the Board asked that they describe the Medicare Part D impact of the recent CMS guidelines regarding the coverage of Wegovy for obese adults with cardiovascular disease. This information was provided and discussed.

Trustee Stevens left the meeting at 2:14 p.m.

IX. DENCAP – Joseph Lentine, Dawn Dorsch, and Nicole Perring

Mr. Lentine addressed the Board. He explained DENCAP’s role in providing dental insurance for the City of Detroit active employees as well as this VEBA and the post-2014 VEBA. He discussed the acquisition of Golden Dental and the progress they have made with processing claims and providing invoicing.

X. Plante Moran – Spencer Tawa, Justin Chambers, Jean Young, and Michelle Sinelli

A. Draft Financial Statement, December 31, 2023

Mr. Tawa presented the results of the Audit for December 31, 2023. He stated that the Trust’s financial statements present fairly, in all material respects, the fiduciary net position of the City of Detroit General Retiree Health Care Trust as of December 31, 2023, and the changes in its fiduciary net position for the year then ended, in accordance with generally accepted accounting principles. Plante Moran has issued an unmodified opinion dated April 23, 2024. The net position of the VEBA is \$205.4M which is an increase from last year because of an increase in fair value of investments. Mr. Tawa went on to state that there were no material weaknesses found and no significant deficiencies. There were no difficulties or disagreements with management in performing the audit. There are no recommendations and no unrecorded possible adjustments.

Motion was made by Trustee Gayney and seconded by Trustee Wise-Johnson to accept and approve Gayney to accept and approve the Financial Statement as of December 31, 2023, as provided. **Motion** passed unanimously.

B. Draft End of Audit Letter

The Draft End of Audit Letter was provided for Chairman Sheehan's signature.

XI. Legal Report

A. NEPC – Reporting Principal/Wells Fargo

Mr. Judd provided the Board with an update from Principal regarding their reporting of the cash account. The NEPC reports are showing the cash account as Wells Fargo in error. They will correct this issue.

B. VEBA Grant Funds

An update was given by Mr. Judd. He provided some additional information that the Board had requested, and further discussion took place.

Trustee Allen left the meeting at 3:30 p.m., quorum was lost.

XII. New Business - None

XIII. Unfinished Business

A. 2024 Open Enrollment Printing/Mailing Cost Reimbursement

Ms. Gjorgjevski provided an update regarding which vendors have provided their reimbursement for Open Enrollment costs. Ms. Crosby will follow up with those who haven't submitted theirs yet.

B. Recurring HRA Payments

This item is in progress.

C. 2025 Benefit Review

This item is in progress.

D. Invite Vendors to Present to Board

Ms. Crosby has scheduled Manquen Vance to attend the Board meeting on May 28, 2024. Heritage Vision is scheduled to attend the Board meeting on June 25, 2024.

F. GRS Supplemental Report

This item will be reviewed in May 2024 by the Board.

G. Service Provider Review – BeneSys Inc.

This item is on hold.

XI. Correspondence - None

XII. Trustee Comment/Open Forum

XIII. Adjournment

There being no quorum the meeting adjourned at 3:34 p.m.

Respectfully submitted,

Jennifer Crosby, Plan Associate