



City of Detroit General Retiree Healthcare Trust

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

Tuesday, July 23, 2019 Regular Meeting

Offices of *The Allen Law Group*

3011 West Grand Blvd., 25th Floor

Detroit, MI 48203

I. Call to order and Roll call

- A. A Regular meeting of the Trustees of the Detroit General RHC Trust was called to Order by Chairperson Tom Sheehan at 1:01 p.m.
- B. **Board Members present at roll call:** *Present* - Chairperson Thomas Sheehan; Trustee Chuck Gayney; Trustee Shirley Lightsey; Vice Chairperson Barbara Wise-Johnson; Trustee Doris Ewing; Trustee Floyd Allen. As five (5) Trustees are required to make a quorum and six (6) were present, Chairperson Sheehan declared a quorum and the meeting proceeded.
- C. **Others Present:** Aaron Castle (*Legal*), Dean Carlson and Violet Gjorgjevski (*BeneSys*), Kevin Leonard (*NEPC*).

II. Approval of Agenda

- A. **Motion** was made by Trustee Lightsey and seconded by Trustee Ewing to approve the agenda, as submitted. **Motion** passed unanimously.

III. Public Comment - None -

IV. Regular Meeting Agenda

Approval of Minutes

A. Proposed July 9, 2019 regular meeting minutes

Motion was made by Trustee Gayney and seconded by Trustee Lightsey to approve the minutes of the July 9, 2019 regular meeting minutes as presented. **Motion** passed unanimously.

V. Financial Reports

A. Bills for Approval

Invoices in the aggregate amount of \$916,836.05 were presented for payment from: BCBS Dental (\$88,895.03); BCBSMA (\$449,971.34); Blue Care Network (\$70,640.34);

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DENCAP (\$18,815.90); Golden Dental (\$23,775.74); HAP (\$214,641.49); Heritage Vision (\$22,004.66); HUMANA (\$9,078.45); Priority Health (\$640.60); RSCD (\$3,428.44); VSP (\$14,944.06).

Motion was made by Trustee Allen and seconded by Trustee Ewing to approve and authorize payment of the invoices subject to availability of funds. **Motion** passed unanimously.

VI. Administrative Reports

VII. Financial Consultants

A. NEPC – Kevin Leonard

Mr. Leonard reviewed the Quarterly Performance ending June 30, 2019. He began by discussing the second quarter Market update and then moved to the Benchmark review. He continued with the Trust overview where it was then discussed to move funds to Garcia Hamilton.

Motion was made by Trustee Allen and seconded by Trustee Gayney to approve NEPC to fund the Garcia Hamilton account as previously approved by the Board. **Motion** passed unanimously.

The Board continued with discussions regarding cash needs for benefit payments and a process for identifying cash needs in advance of meetings to make redemptions and transfers timely.

Motion was made by Trustee Ewing and seconded by Trustee Allen to approve Wells Fargo to transfer \$2 Million to the Fifth Third benefit account for the payment of the VEBA's anticipated expenses. **Motion** passed unanimously.

Moving forward the Board would like BeneSys to provide cash needs for invoices/benefits to be paid along with the cash available in the Fifth Third custodial account.

NEPC will provide information for the next meeting regarding active vs. passive international equity options for the Boards review.

VIII. GRS Consulting - None -

IX. Legal

Attorney Castle did not have a formal Legal report but briefly discussed that he spoke to Plante Moran regarding additional charges on the last invoice for the 2018 audit and material weakness mentioned in its end of audit letter to the Board.

He also mentioned that he would be speaking with Mr. Darris Garoufalidis from BeneSys regarding the Performance Guarantees regarding any requested revisions to the performance standards that were previously reviewed and discussed with the Board.

X. New Business

A. GRS Supplemental Plan Inquiry

As requested by the Board, BeneSys reached out to the Benefit Consultant, GRS, to inquire about supplemental plan options for members. GRS responded and advised that based on other clients the rates for supplemental programs for the group would be priced higher than the MA options currently available.

The Board asked that BeneSys reach out to the current medical vendors and inquire on pricing for supplemental plan options from each. BeneSys will reach out and provide follow up as it is received.

B. Plante Moran - 2018 Audit - Management Representation Letter

BeneSys provided a Management Representation Letter from Plante Moran which requires a signature.

Motion was made by Trustee Allen and seconded by Trustee Ewing to approve Chairman Sheehan to sign the Management Representation Letter. **Motion** passed unanimously.

XI. Unfinished Business

A. Duplicate Pension Deductions

BeneSys provided results on the duplicate pension deductions. Based on their findings, their system will only allow to store one Pension ID number at a time, in order for us to set up double deductions it would have to have been a manual adjustment on the pension files. A member of the BeneSys team provided the following in regard to the matter:

“IF they were enrolled in any of these plans in 2014 and/or 2015 that would have been through the city and the members were possibly being deducted from Pension ID ending in 1 at that time. When we took over in 2016, we started deducting from pension ID ending in 0, which would lead to double deductions. If the previous deductions were never cancelled, that would lead to double deductions. This is most reasonable conclusion I can come up with for this issue.”

The BeneSys team continued saying “As far as members having dual coverage, that could only happen if the member and spouse were both retirees and had coverage under each other as a dependent, or if we had two separate SSN’s and the member had two separate accounts. Pension ID’s are not communicated with the vendors.”

Trustee Wise-Johnson requested that BeneSys provide a list of members who were refunded for double deductions, how much they were refunded and when they were refunded. BeneSys to further research and provide a list.

B. Appeal 2710889213

BeneSys provided additional information to the Board regarding the appeal for # 2710889213. The Board asked that BeneSys reach out to the member and follow up if they planned on moving forward with a Level 2 appeal and confirm that the letter dated July 12, 2019 was received. The Board requested any communication with the member be communicated back to them.

~ Trustee Ewing excused @ 2:40 pm.

C. Performance Guarantee

Discussed during Legal report.

XII. Correspondence

A. BCBS Network Update

BCBSM provided communication regarding Anesthesia Associates of Ann Arbor electing to leave the BCBS network effective July 16, 2019. They will continue to follow the change and keep everyone informed of any further changes.

The Board asked that BeneSys follow up with BCBS prior to the next meeting.

B. Arena Investor Market Commentary - 2Q 2019

Arena Capital provided a market commentary for the second quarter of 2019.

C. Arena Capital Account Statement 06/30/2019

Arena Capital provided an account statement as of June 30, 2019.

D. Blue Care Network Low Income Subsidy Report - June 2019

June 2019 Blue Care Network Low Income Subsidy Report was presented.

E. Humana Communication - July 2019

BeneSys presented Humana Communications for July 2019.

XIII. Trustee Comment/Open Forum

XIV. Adjournment

There being no further business a **Motion** was made by Trustee Allen and seconded by Trustee Lightsey to adjourn the meeting at 2:49 p.m. **Motion** passed unanimously.

Respectfully submitted,

Violet Gjorgjevski, Plan Associate