

KAIROS HEALTH ARIZONA, INC.

**Minutes of the Meeting of the Board of Directors
April 17, 2019**

A meeting of the board of directors of Kairos Health Arizona, Inc., was held on April 17, 2019 at 333 E Osborn Rd, Suite 100, Phoenix, AZ 85012.

Members present: Lana Berry
Sandy Cooper
Jeffrey Gadd
Chris Knutsen
Rudy Rodriguez
David Tharp
Dr. Michael L. Wright (via teleconference)

Staff present: John Ashton: Ashton Tiffany, LLC
Mike Tiffany: Ashton Tiffany, LLC
Tracy Foss: Ashton Tiffany, LLC
Jennifer Darnall: Ashton Tiffany, LLC
Tanya Edwards: Ashton Tiffany, LLC
Jennifer Gabriel: Ashton Tiffany, LLC
Lori Jundt: Ashton Tiffany, LLC
Jeremy Larson: Ashton Tiffany, LLC
Tara Zika: Ashton Tiffany, LLC
Hannah Olson: Ashton Tiffany, LLC
Wes Gates: Ashton Tiffany, LLC
Norm Hall: Ashton Tiffany, LLC
Richard Heuer: Ashton Tiffany, LLC
Peter Gregory: Ashton Tiffany, LLC
Patrick Kohnen: Claremont Capital Management, LLC
Washington Coven: Blue Cross Blue Shield Arizona (BCBSAZ)
Tom Marreel: MSI
Scott Iwanowski: MSI
Chris Welker: Wright, Welker & Pauole

A. Opening of the Meeting

1. Call to order

Rudy Rodriguez called the meeting to order at 12:05 p.m.

2. Welcome visitors

Stan Barnes: Copper State Consulting

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B. General Business

1. A motion was made to approve the agenda for April 17, 2019.

Sandy Cooper, moved
David Tharp, seconded
Motion passed unanimously

2. A motion was made to approve the board meeting minutes of February 15, 2019

Sandy Cooper, moved
David Tharp, seconded
Motion passed unanimously

3. Management Report

The following items were discussed in the management report:

- legislative update;
- BCBSAZ update;
- 2019/2020 renewal and onboarding;
- Benefit Insights and More meeting update;
- business development update; and
- future meetings.

4. Financial Report

Jeremy Larson presented the financial dashboard for the period ending February 28, 2019. Mr. Larson then presented the preliminary financial statements for the period ending February 28, 2019. Total assets were \$49,927,710, consisting primarily of cash and cash equivalents and investments. Total liabilities were \$39,687,635.¹ Net position as of February 28, 2019 excluding the self-funded net position, was \$10,240,075.

Patrick Kohen presented the investment report as well as an update on the current state of the financial market.

¹ Total liabilities incorporates a liability for self-funded members' accounts, including KIP, of \$14,897,622; claims payable of \$12,352,975; and reserve for IBNR losses of \$10,181,192.

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April 17, 2019**

5. Claims Report

Washington Covena presented the claims report through February 28, 2019.

C. New Business

1. Discussion and approval of 2019/2020 contract and policies

Tracy Foss presented the 2019/2020 contract and policy summary identifying the vendors that provide services to the pool. The summary included a description of services, fees/rates, and a high-level overview of key terms and conditions. Ms. Foss advised that all proposed fees have been contemplated in the 2019/2020 budget—Rev. 0, which was approved at the previous board meeting. John Ashton reminded the board that the estimated fees are based on current census.

A motion was made to approve the 2019/2020 contracts and policies as presented, excluding the BCBSAZ contract, which was still being negotiated and will be discussed at the next Kairos board meeting.

David Tharp, moved
Chris Knutsen, seconded
Motion passed unanimously

2. Discussion and approval of EAPP traumatic event program

Jennifer Gabriel presented a program option to support Kairos members with traumatic event services for their public safety personal and first responders as required under 2018 House Bill 2502. Ms. Gabriel advised that EAPP has provided a fee-for-service option that would allow Kairos members impacted by the legislation to opt in at their own discretion. Under the program, EAPP would provide services subject to a \$500 per member administrative set-up fee, plus a \$25 per claim administrative fee. The initial set-up fee would be billed to Kairos, and all fees for the counseling services, including the \$25 per claim administrative fee, would be billed to the member.

David Tharp suggested that Kairos cover only half of the \$500 set-up fee, with the members enrolling in the program being responsible for the remaining portion.

A motion was made to approve the EAPP traumatic event program with an equal member contribution to the administrative set-up fee.

David Tharp, moved

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Chris Knutsen, seconded
Motion passed unanimously

D. Executive Session

A motion was made to enter executive session at 1:27 p.m.

Chris Knutsen, moved
David Tharp, seconded
Motion passed unanimously

A motion was made to exit executive session at 1:44 p.m.

David Tharp, moved
Jeffrey Gadd, seconded
Motion passed unanimously

E. Open Session

A motion was made to approve the minutes of the February 15, 2019 executive session.

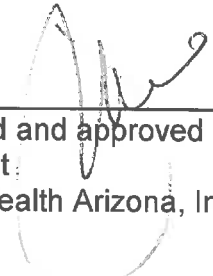
Sandy Cooper, moved
David Tharp, seconded
Motion passed unanimously

A motion was made to approve the pharmacy rebate settlement agreement with BCBSAZ.

David Tharp, moved
Chris Knutsen, seconded
Motion passed unanimously

F. Adjournment

Board president, Rudy Rodriguez, made a motion to adjourn the meeting at 1:45 p.m.



Received and approved by Rudy Rodriguez
President
Kairos Health Arizona, Inc.