

KAIROS HEALTH ARIZONA, INC.

**Minutes of the Meeting of the Board of Directors
August 26, 2020**

A meeting of the board of directors of Kairos Health Arizona, Inc., was held on August 26, 2020.

Members present: Lana Berry
Sandy Cooper
Shannon Crosier
Chris Knutsen
Rudy Rodriguez
David Tharp
Dr. Michael L. Wright

All members appeared telephonically.

Members absent: None

Staff present: John Ashton: Ashton Tiffany, LLC
Mike Tiffany: Ashton Tiffany, LLC
Jennifer Darnall: Ashton Tiffany, LLC
Tanya Edwards: Ashton Tiffany, LLC
Jennifer Gabriel: Ashton Tiffany, LLC
Jeremy Larson: Ashton Tiffany, LLC
Lori Jundt: Ashton Tiffany, LLC
Tara Zika: Ashton Tiffany, LLC
Hannah Olson: Ashton Tiffany, LLC
Divi Matuszewski: Ashton Tiffany, LLC
Angie Stoudemire: Ashton Tiffany, LLC
Denise Walsh: Ashton Tiffany, LLC
Peter Gregory: Ashton Tiffany, LLC
Chris Welker: Wright Welker & Pauole
Tom Palmer: Claremont Capital
Patrick Kohnen: Claremont Capital
Tom Marreel: MSI
Scott Iwanowski: MSI
Washington Covena: BCBSAZ
Ed Taylor: BCBSAZ

A. Opening of the Meeting

1. Call to order

Rudy Rodriguez called the meeting to order at 12:02 p.m.

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2. Welcome visitors

Dee Ostrowicki: Chandler Unified School District

Wendy Nance: Chandler Unified School District

Bobby Fendley: Fendley Benefits

Frank LeClaire: TLC Group

B. General Business

1. A motion was made to approve the agenda for August 26, 2020.

Michael Wright, moved

Sandy Cooper, seconded

Motion passed unanimously

2. A motion was made to approve the minutes of the meeting of the board from June 17, 2020.

Sandy Cooper, moved

Chris Knutsen, seconded

Motion passed unanimously

3. Management report

The following items were discussed in the management report:

- new clinical position;
- phishing scam;
- data warehouse update;
- AGRiP CEO institute;
- plan material distribution;
- wellness update; and
- future meetings

4. Financial report

Jeremy Larson presented the management dashboard for the period ending June 30, 2020. Year-to-date net operating revenues were \$102,048,096.

Operating expenses and other income totaled \$103,911,621. Total net income

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for self-funded members was \$2,136,809. Total net loss for the shared risk pool was \$3,982,957.

Tom Palmer presented the investment report, as well as an update on the current state of the financial markets.

5. Claims report

Ed Taylor presented the medical claims report through June 30, 2020.

C. New Business

1. Discussion and approval of Shannon Crosier as board member

In June 2020, Jeff Gadd resigned from the board of directors due to retirement. Mr. Gadd recommended Shannon Crosier, chief financial officer of Scottsdale Unified School District, replace him as a tier 1 director.

A motion was made to approve Ms. Crosier as a tier 1 director.

David Tharp, moved
Lana Berry, seconded
Motion passed unanimously

2. Discussion and approval of the slate of nominees

Tanya Edwards addressed current board representation, noting that Sandy Cooper and Rudy Rodriguez are serving as tier 3 directors, with terms to expire at the 2020 annual meeting. The board discussed tier 3 nominations for election to three-year terms at the annual meeting in November.

A motion was made to approve Sandy Cooper and Rudy Rodriguez as nominees.

Michael Wright, moved
David Tharp, seconded
Motion passed unanimously

3. Discussion of officers

Tanya Edwards presented the current list of board officers, as follows:

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- president: Rudy Rodriguez,
- vice president: Sandy Cooper, and
- secretary and treasurer: David Tharp.

Ms. Edwards noted that officer elections will take place during the annual meeting of the members in November. Accordingly, no formal resolution was required at this time.

4. Discussion and approval of benefit enrollment system

Tanya Edwards led the discussion of a new benefit enrollment system to replace the current system, Benefit Starter. Staff believes this is an opportunity to address some of the constructive feedback received during Kairos workshops.

Staff evaluated a number of alternatives and ultimately recommended Vimly Benefit Solutions (Vimly).

Although the cost of the new system exceeds that of Benefit Starter, staff strongly believes functionality is significantly more robust and user-friendly for members.

A motion was made to approve Vimly as the new benefit enrollment system.

David Tharp, moved
Sandy Cooper, seconded
Motion passed unanimously

5. Discussion and approval of OH contract

Tanya Edwards presented the OH Partners (OH) marketing contract. Previously, staff has contracted with Pixa Creative and Direct for marketing, graphic design, and printing services. Staff recommended contracting with a marketing agency that has a greater capacity to support the needs of Kairos and that can meet high standard for product management and work quality. After researching multiple marketing agencies, staff recommended contracting with OH.

Ms. Edwards noted that the hourly fee for OH is comparable to that of Pixa.

A motion was made to approve the OH contract.

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Lana Berry, moved
David Tharp, seconded
Motion passed unanimously

6. Discussion and approval of 2020/2021 Budget—Rev. 01

John Ashton presented the 2020/2021 Budget—Rev. 01, which included the changes described below:

- a decrease in anticipated Kairos enrollment;
- an increase in losses paid, and an increase in the stop loss retention limit from \$500,000 to \$600,000; and
- the addition of a clinical advocacy program.

A motion was made to approve the 2020/2021 Budget—Rev. 01.

Chris Knutsen, moved
David Tharp, seconded
Motion passed unanimously

7. Discussion and approval of KIP investment policy statement

Jeremy Larson presented the Kairos Investment Pool (KIP) investment policy statement, which governs the investment of funds for KIP. He advised that the statement is reviewed annually, and there were no changes during this time.

A motion was made to approve the KIP investment policy statement.

Michael Wright, moved
David Tharp, seconded
Motion passed unanimously

8. Discussion of 2021/2022 plan design and benefit offerings

Tanya Edwards asked the board for preliminary direction regarding the 2021/2022 plan design and benefit offerings. She advised that staff was suggesting minimal changes to the plan benefits and requested input from the board for any other considerations.

Michael Wright suggested that staff consider offering incentives for directing medical care from rural areas.

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Rudy Rodriguez requested that other board members send any ideas they may have to Ms. Edwards.

Ms. Edwards advised that staff would review options and present formal recommendations for all program changes to the board for approval at a subsequent board meeting. No formal board action was taken.

D. Executive Session

1. A motion was made to enter executive session.

Lana Berry, moved
Michael Wright, seconded
Motion passed unanimously

2. A motion was made to exit executive session.

David Tharp, moved
Chris Knutsen, seconded
Motion passed unanimously

E. Open Session

1. A motion was made to approve the minutes of the June 17, 2020 executive session.

Sandy Cooper, moved
David Tharp, seconded
Motion passed unanimously

F. Adjournment

Rudy Rodriguez adjourned the meeting at 2:17 p.m.



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