

KAIROS HEALTH ARIZONA, INC.

**Minutes of the Meeting of the Board of Directors
June 17, 2020**

A meeting of the board of directors of Kairos Health Arizona, Inc., was held on June 17, 2020, at 333 East Osborn Road, Suite 100, Phoenix, AZ 85012.

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

Members absent: None

Staff present: John Ashton: Ashton Tiffany, LLC
Tracy Foss: Ashton Tiffany, LLC
Jennifer Darnall: Ashton Tiffany, LLC
Tanya Edwards: Ashton Tiffany, LLC
Jeremy Larson: Ashton Tiffany, LLC
Tara Zika: Ashton Tiffany, LLC
Hannah Olson: Ashton Tiffany, LLC
Divi Matuszewski: Ashton Tiffany, LLC
Tom Palmer: Claremont Capital Management, LLC
Tom Marreel: MSI
Washington Coven: BCBSAZ
Mike Groeger: BCBSAZ
Mike Tilton: BCBSAZ
Chris Welker: Wright Welker & Pauole

A. Opening of the Meeting

1. Call to order

Sandy Cooper, vice president, chaired the board meeting in place of Rudy Rodriguez, president, who participated telephonically. Ms. Cooper called the meeting to order at 11:59 a.m.

2. Welcome visitors

There were no visitors.

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B. General Business

1. A motion was made to approve the agenda for June 17, 2020.

Michael Wright, moved
David Tharp, seconded
Motion passed unanimously

2. A motion was made to approve the minutes of the meeting of the board from April 15, 2020.

David Tharp, moved
Chris Knutsen, seconded
Motion passed unanimously

3. Management report*

The following items were discussed in the management report:

- Jeff Gadd retirement;
- plan update;
- 2018–2019 claims audit update;
- business development;
- renewal and onboarding;
- webinar satisfaction results;
- quarterly member call;
- conflict of interest statements; and
- future meetings

*For future meetings, staff and counsel recommended that staff provide a verbal presentation on the management report items instead of a written report, and that the report items be included on the agenda. The board agreed to implement this recommendation going forward.

4. Financial report

Jeremy Larson presented the management dashboard for the period ending April 30, 2020. Year-to-date net operating revenues were \$84,943,351. Operating expenses and other income totaled \$85,716,438. Total net income for self-funded members was \$1,810,614. Total net loss for the shared risk pool was

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\$2,583,701. Mr. Larson also reported that as of June 7, 2020, 264 Kairos participants had been tested for COVID-19, and 24 of those tests came back positive.

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

5. Claims report

Washington Covenia presented the medical claims report through April 30, 2020.

C. New Business

1. Discussion of BCBSAZ stewardship report

Washington Covenia, Michael Groeger, and Michael Tilton presented the BCBSAZ stewardship report, including BCBSAZ proposed go-to-market guidelines.

Discussion between BCBSAZ and the board followed. No formal action was taken.

D. Executive Session

Lana Berry left the meeting during executive session and switched to telephonic participation.

1. A motion was made to enter executive session. It was seconded, and the motion passed unanimously.
2. A motion was made to exit executive session. It was seconded, and the motion passed unanimously.

E. Open Session

1. A motion was made to approve the minutes of the April 15, 2020 executive session.

David Tharp, moved
Chris Knutsen, seconded
Motion passed unanimously

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F. New Business (continued)

1. Discussion and approval of 2020–2021 benefit plan and wrap document

Tanya Edwards presented the amended plan benefit change sheet for 2019–2020 and 2020–2021, as well as the proposed revisions to the Wrap Plan Document for Kairos. The benefit change sheets reflected modifications to the Kairos medical plans administered by Blue Cross Blue Shield of Arizona, including changes resulting from the COVID-19 pandemic. Ms. Edwards further noted that the changes to the plan document were a result of review and recommendations by the Phia Group, Kairos’s independent consultant.

A motion was made to approve the 2020–2021 benefit plan and wrap document.

David Tharp, moved
Chris Knutsen, seconded
Motion passed unanimously

2. Discussion and approval of redlined Kairos Investment Policy

Jeremy Larson presented the redlined changes to the Kairos Investment Policy. The changes were as follows:

- 10% of the portfolio may be invested in funds that hold U.S. government agency securities;
- another 10% of the portfolio may be invested in investment-grade corporate bond funds; and
- another 10% may be invested in investment-grade municipal bond funds.

These investments would be in lieu of investing in individual securities.

A motion was made to approve the redlined Kairos Investment Policy.

Chris Knutsen, moved
Michael Wright, seconded
Motion passed unanimously

3. Discussion and approval of Ashton Tiffany 2020–2021 contract

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- allocation of additional resources for clinical auditing and investigation of claims pre-adjudication; and
- amendment of the term for the annual fee.

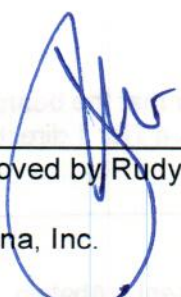
These changes were incorporated into the 2020–2021 Ashton Tiffany, LLC, contract, which was recently approved at the April 15, 2020 board meeting.

A motion was made to approve the updated 2020–2021 Ashton Tiffany, LLC, contract.

Michael Wright, moved
David Tharp, seconded
Motion passed unanimously

G. Adjournment

Sandy Cooper adjourned the meeting at 2:51 p.m.



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