



**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
September 25, 2023**

PRESENT: Henry Trevino, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Mike Despres, Retired Police Representative;
Andrew Estrada, Fire Department Representative;
Doug Berry, Fire Department Representative;
Jason Sanchez, Police Department Representative;
Councilperson Melissa Cabello Havrda, City of San Antonio; and
Mayoral Appointee Tom Silliman, City of San Antonio.

ABSENT: Councilperson John Courage, City of San Antonio.

OTHERS PRESENT: James Bounds, Executive Director;
Frank Burney, Martin & Drought, P.C.; and
Jay Blackwell, City of San Antonio.

At 10:05 a.m., Chair Berry called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meetings held on August 28, 2023 and September 6, 2023, were reviewed and unanimously approved upon motion by Trustee Estrada and second by Trustee Despres.

EXECUTIVE SESSION: None.

MEMBERS TO BE HEARD: None.

ACTION ITEMS:

- Investments: Chair Lutton stated that further discussion is necessary for balancing related to International, Emerging Markets and Domestic Stocks.
- Personnel/ Audit: Mr. Bounds stated that final confirmation of asset values were completed and the final audit should be completed soon.

3. Benefits:

- a. USI: Upon motion by Trustee Trevino and second by Trustee Sanchez, the Board unanimously approved termination of the contract with USI (with one abstaining – Trustee Silliman) (approximate contract cost: \$100,000).

4. Legislative: None.

5. Administrative Report:

- a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Lutton and second by Trustee Trevino, a list of expenses and claims and the Financial Report were unanimously approved by the Board. Construction budget will be adjusted between capitalization of expenses and actual deductions.
- b. Strategic Business Planning Committee Meeting: Meeting will be postponed until October meeting.

6. Consultant Report:

- a. Legal: None.

b. Foster & Foster:

- (i) Board requested proposals for Foster & Foster Consultants for general retainer for annual budget projections, GASB75, financial monitoring, vendor management, compliance support and project management, and other services at a cost of \$82,000 annually (which includes previously approved \$50,000 for actuarial study). Upon motion by Trustee Trevino and second Trustee Estrada, the retainer proposal as set out in 9/6/23 and 9/15/23 letter attached was unanimously approved at a budgeted cost of \$82,000 (with Trustee Silliman abstaining).
- (ii) Foster & Foster also presented a proposal to draft educational materials as to the benefits of the Retiree Health Care at a budgeted cost of \$20,000 - \$40,000. Upon motion by Trustee Lutton and second by Trustee Sanchez, the motion was unanimously approved (with Trustee Silliman abstaining).

7. Educational Opportunities:

Upon motion by Trustee Lutton and second by Trustee Despres, the Board approved attendance at any of the following educational opportunities:

- IFEBP: Health Care Management Conference, March 4-5, 2024
- IFEBP: Investment Institute, March 6-7, 2024
- BLBG Conference, November 15-18, 2023

8. Recognition of Henry Trevino: The Board expressed their appreciation to Henry Trevino for his over 25 years of service by unanimously passing the attached resolution.

9. Next Meeting: A special-called meeting will be held on October 16, 2023, at 10:00 a.m. The next regularly scheduled meeting will be October 30, 2023 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Lutton and second by Trustee Despres that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 10:38 a.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes

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CERTIFIED AGENDA OF CLOSED MEETING

HEALTH FUND

I, DOUG BERRY, THE PRESIDING OFFICER OF HEALTH FUND, CERTIFY THAT THIS DOCUMENT ACCURATELY REFLECTS ALL SUBJECTS CONSIDERED IN AN TWO EXECUTIVE SESSIONS OF THE BOARD CONDUCTED ON SEPTEMBER 6, 2023.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session September 6, 2023 at 10:27 a.m. and the second executive session began at 11:39 a.m."
2. SUBJECT MATTER OF EACH DELIBERATION:
 - Discussions with attorney relating to his or her advice on legal matters related to any matter in which the duty of the attorney to Health Fund under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act; and
 - Discussions regarding attorney-client issues and Plan Design.
3. No further action was taken.
4. The executive session ended with the following announcement by the presiding officer: "This executive session ended on September 6, 2023 at 10:51 a.m. and the second executive session ended at 11:53 a.m."

Presiding Officer

*Fire and Police Health Care Fund, San Antonio
Resolution of Appreciation*

WHEREAS, Henry Trevino, Trustee of the Fire and Police Health Care Fund, San Antonio, is ending his service with this Board as of September 30, 2023; and

WHEREAS, Henry Trevino has served continuously as a member of the Board since September 1, 1997; and

WHEREAS, the market value of the Fund has grown substantially during Mr. Trevino's term of office; and

WHEREAS, Henry Trevino has been most instrumental in guiding the Health Care Fund during his term, both as a Trustee and Chair of the Board; and

WHEREAS, Henry Trevino has displayed exceptional leadership, strategic advice, and unmatched dedication in managing Health Care Fund investments, administrative efficiency and stability of operations; and

WHEREAS, the Health Care Fund's success has been due, in large part, to Mr. Trevino's guidance and direction; and


WHEREAS, beyond the investment aspects, Henry Trevino has taken a leadership role in insuring member benefits for public safety retirees and their families;

NOW THEREFORE

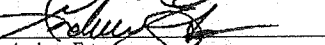
*Be it resolved by the Board of Trustees of the
Fire and Police Health Care Fund of San Antonio, Texas:*

1. That the Fire and Police Health Care Fund Board of Trustees of San Antonio, Texas, hereby expresses its most sincere appreciation to Henry Trevino, for his invaluable contribution to the Fund in enhancing the market value of the Health Care Fund and the benefits to its members, while preserving the stability of the Health Care Fund.
2. That Henry Trevino is recognized as a leader whose influence has benefited all retirees.
3. That this Board go on record as expressing its desire of lasting health, good wishes and sincere thanks to a loyal friend and outstanding human being.
4. That the original of this Resolution, duly subscribed by all members of the Board be presented to Henry Trevino as an official expression of the sentiments set forth above, and that a copy hereof be spread in full upon the minutes of the Board as a permanent and official expression of the sincere appreciation herein expressed.

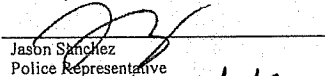
Approved this 25th day of September, 2023.



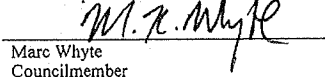
Michael Despres
Retired Police Representative



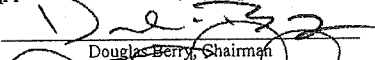
Andrew Estrada
Fire Representative



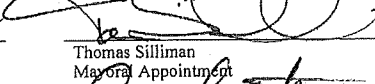
Jason Sanchez
Police Representative



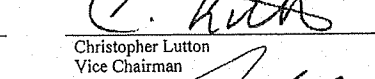
Marc Whyte
Councilmember



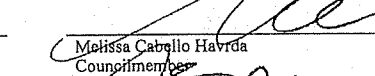
Douglas Berry, Chairman



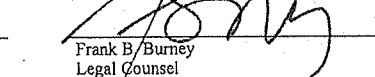
Thomas Silliman
Mayor's Appointment



Christopher Lutton
Vice Chairman



Melissa Caballo Havrda
Councilmember



Frank B. Burney
Legal Counsel

F&P Retiree Health Care Fund - Calendar
Statement of Plan Net Assets
August 31, 2023

August 31, 2023 December 31, 2022

ASSETS

Cash - City	\$ 0.00	\$ 0.00
Cash - Trust	551,217.94	16,504.90
Leasehold Improvements	40,483,331.11	41,098,144.18
Investments - Trust	533,427,653.72	504,643,063.94
Accrued Interest - Trust	1,910,828.02	2,155,789.62
Pre-paid Expenses	1,220,917.88	50,426.24
	<u>577,593,948.67</u>	<u>547,963,928.88</u>
Total Assets		

LIABILITIES

Claims Payable	5,084,545.33	4,866,320.41
Accounts Payable	1,309,140.03	2,444,003.82
Security Lending Collateral	0.00	0.00
	<u>6,393,685.36</u>	<u>7,310,324.23</u>
Total Liabilities		

Net Assets Held in Trust	\$ <u>571,200,263.31</u>	\$ <u>540,653,604.65</u>
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F&P Retiree Health Care Fund - Calendar
Statement of Changes in Plan Net Assets
For the Eight Months Ending August 31, 2023

	Current Month	Current Budget	Year to Date	YTD Budget
Additions				
Contributions:				
City of San Antonio	\$ 3,647,102.71	3,674,000.00	\$ 30,996,609.91	31,230,000.00
Active	1,822,653.00	1,837,000.00	15,502,090.96	15,614,000.00
Retirees less than 30	135,681.00	127,000.00	1,034,392.08	1,012,000.00
COBRA	0.00	4,000.00	42,012.46	29,000.00
Children	54,600.00	48,000.00	421,050.00	375,000.00
Total Contributions	<u>5,660,036.71</u>	<u>5,690,000.00</u>	<u>47,996,155.41</u>	<u>48,260,000.00</u>
Investment Income:				
Interest	140,469.00	178,800.00	933,205.86	1,432,600.00
Net Appreciation of Inves	(5,632,856.39)	2,690,000.00	23,304,969.70	21,442,000.00
Other Income	0.00	2,000.00	35,167.44	12,000.00
Less Investment Expense	(27,633.33)	(27,600.00)	(210,866.64)	(209,900.00)
Net Investment Income	<u>(5,520,020.72)</u>	<u>2,843,200.00</u>	<u>24,062,476.36</u>	<u>22,676,700.00</u>
Total Additions	<u>140,015.99</u>	<u>8,533,200.00</u>	<u>72,058,631.77</u>	<u>70,936,700.00</u>
Deductions				
Members Benefit Paymen	4,389,191.39	3,976,000.00	34,336,908.10	31,798,000.00
COBRA Benefit Payment	1,333.87	5,000.00	3,921.49	30,000.00
Children's Benefit Payme	140,209.25	47,000.00	401,854.74	377,000.00
General and Administrati	1,066,912.28	271,900.00	6,769,288.78	2,303,000.00
Total Deductions	<u>5,597,646.79</u>	<u>4,299,900.00</u>	<u>41,511,973.11</u>	<u>34,508,000.00</u>
Net Increase	<u>(5,457,630.80)</u>	<u>4,233,300.00</u>	<u>30,546,658.66</u>	<u>36,428,700.00</u>

September 25, 2023.

Expenses Paid since last Board Meeting

Frost \$ -

Expenses to be paid at this Board Meeting

6234	Andrew Estrada	Phone	\$	70.00
6235	AT&T Mobility	September	\$	68.75
6236	Cecilia	Per Diem	\$	432.00
6237	Doug Berry	Phone/PerDiem	\$	358.00
6238	GDC	September	\$	5,000.00
6239	Henry Trevino	Phone	\$	70.00
6240	Intelliscan	Elections	\$	7,567.39
6241	Jason Sanchez	Phone/PerDiem	\$	502.00
6242	Christopher Lutton	Phone/PerDiem	\$	356.00
6243	MD	August	\$	2,662.50
6244	Meketa	September	\$	20,833.33
6245	Mike Despres	Phone	\$	70.00
6246	Thom Silliman	Per Diem	\$	288.00
6247	USI	September	\$	8,083.34
6248	T-Mobile	September	\$	83.33
	CDS Muery	August	\$	-
	Raba	August	\$	-
	RVK	August	\$	-
	MD	August	\$	-
	City Base West	October	\$	7,846.56
	Office	October	\$	17,291.60
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		Total	\$	71,582.80



**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
August 28, 2023**

PRESENT: Henry Trevino, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Mike Despres, Retired Police Representative;
Doug Berry, Fire Department Representative;
Jason Sanchez, Police Department Representative; and
Mayoral Appointee Tom Silliman, City of San Antonio.

ABSENT: Andrew Estrada, Fire Department Representative;
Councilperson Melissa Cabello Havrda, City of San Antonio; and
Councilperson Marc Whyte, City of San Antonio.

OTHERS PRESENT: James Bounds, Executive Director; and
Frank Burney, Martin & Drought, P.C.
Orlando Ramirez, Council District #6
Jay Blackwell, COSA

At 10:02 a.m., Acting Chair Lutton called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meetings held on July 31, 2023, were reviewed and unanimously approved upon motion by Trustee Despres and second by Trustee Sanchez.

**EXECUTIVE
SESSION:**

The Board went into Executive Session at 10:26 a.m. to discuss legal issues regarding attorney-client issues. The Executive Session adjourned at 11:28 a.m.

**MEMBERS
TO BE
HEARD:**

None.

**ACTION
ITEMS:**

1. Investments: Chair Lutton reported that Committee recommended rebalancing from stocks to core bonds (does not require a motion).
2. Personnel/ Audit:
 - a. Audit: Mr. Bounds reported that audit and actuary study are completed and recommended a special meeting on September 6,

2023 at 10:00 a.m. to review and discuss.

- b. Strategic Business Planning: Chair Berry reported on Committee's discussion of resumes of Health Fund personnel and facilitation for Board meetings.

3. Benefits: None.

4. Legislative: None.

5. Administrative Report:

- a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Despres and second by Trustee Silliman, a list of expenses and claims and the Financial Report were unanimously approved by the Board.

- b. Election: Steve Carse, Chris Lutton, and Frank Gutierrez won the elections for Active Fire, Active Police, and Retired Fire respectively. Upon motion by Trustee Sanchez and second by Trustee Despres, the Board certified the election results for the open Trustee positions on the Board.

6. Consultant Report:

- a. Legal: None.

- b. Actuaries:

- i. Calculated Contributions
- ii. Calculated Deductibles and out of pockets

Mr. Bounds reviewed the increases for contribution rates and medical inflation. Upon motion by Trustee Sanchez and second by Trustee Trevino, the reports for out-of-pocket (.1% increase in Health Care Costs) and contribution rates (2.6% increase in average pay) were unanimously approved.

7. Educational Opportunities:

Upon motion by Trustee Despres and second by Trustee Sanchez, the Board approved attendance at any of the following educational opportunities:

- Fort Washington 2023, Private Equity Annual Meeting, September 21, 2023

- NCPERS: 2023 Fall Conference, October 22-25, 2023

8. Next Meeting: The next regularly scheduled meeting will be September 25, 2023 at 10:00 a.m. There also will be a specially called meeting on September 6, 2023 at 10:00 a.m. to discuss actuarial and audit reports and on October 16, 2023 at 10:00 a.m. to elect officers, children rates, and COBRA. Upon motion by Trustee Despres and second by Trustee Silliman, the meeting schedule was unanimously approved.

ADJOURNMENT: There being no further business, a motion was made by Trustee Despres and second by Trustee Sanchez that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:30 a.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- Election Results
- F & F Reports on medical inflation and contribution increases

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THE
FUND || RETIREE HEALTH
& WELLNESS
SAN ANTONIO FIRE AND POLICE

Special Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
September 6, 2023

PRESENT: Henry Trevino, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Mike Despres, Retired Police Representative;
Doug Berry, Fire Department Representative;
Jason Sanchez, Police Department Representative; and
Mayoral Appointee Tom Silliman, City of San Antonio.

ABSENT: Andrew Estrada, Fire Department Representative;
Councilperson Melissa Cabello Havrda, City of San Antonio; and
Councilperson Marc Whyte, City of San Antonio.

OTHERS PRESENT: James Bounds, Executive Director; and
Frank Burney, Martin & Drought, P.C.
Garza & Gonzales (Audit)

At 10:02 a.m., Chair Berry called the meeting to order. The roll was called, and a quorum was declared present.

EXECUTIVE

SESSION: The Board went into Executive Session at 10:27 a.m. to discuss legal issues regarding attorney-client issues. The Executive Session adjourned at 11:28 a.m.

A second Executive Session occurred at 11:39 a.m. and adjourned at 11:53 a.m.

MEMBERS

TO BE

HEARD: None.

ACTION
ITEMS:

1. Audit: Garza & Gonzales presented the draft audit (waiting for confirmation of investment balances from Meketa) which included on "clean" opinion (as of 12/31/22). Audit showed investments in real estate related to clinic operations and a negative investment return of -7.8% v. 11.98% in 2021). Funding ratio (as a percent of OPEB liability) also dropped to 48.4%.

A motion was made to accept the draft report and unless no material change, no further presentation is required by the auditor by Trustee

Sanchez and second by Trustee Despres, which was unanimously approved. Trustee Sanchez requested clarification of the "Plan Membership" data on p. 12 of the draft audit.

2. Actuarial Report: Foster & Foster reviewed the actuarial valuation of the Health Fund as of January 1, 2023. The Report concluded that no increase in the total contribution rate of 21.45% is required. The UAAL is expected to be amortized in 15 years (53% funded), and demographic and economic assumption were adjusted, resulting in a -3.1% change. Upon motion by Trustee Sanchez and second by Trustee Silliman, the 2022 Actuarial Report was unanimously accepted.

Board requested proposed scope of engagement relating to Plan Design (drug pricing) and cost of current benefits v. cost at retirement.

3. Health By Design: Health by Design reported on status of usage, physician availability and intervention services (wellness studio videos and testimonials). Capacity still exists (65% usage).
 - a. Prescriptions: Health By Design provided information on reducing prescriptions with alternative therapies.
 - b. Diabetes: No cost to those who take advantage of programs (estimate of 25% affected). New weight loss drugs (Ozempic, Mounjaro, and Metformin) are being evaluated.
4. Next Meeting: The next regularly scheduled meeting will be September 25, 2023 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Despres and second by Trustee Sanchez that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:58 a.m.

Enclosures

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AGENDA
BOARD OF TRUSTEES MEETING
FIRE AND POLICE RETIREE HEALTH CARE FUND
LOCATED AT 11603 W. COKER LOOP, SUITE 210, SAN ANTONIO, TX 78216
Monday, September 25, 2023-10:00 a.m.

Members of the public may provide comment on any Agenda item, consistent with procedural rules governing the Board meetings and state law. Public comment may be provided as follows:

- a. Written: Submit written comments, along with name and address, by emailing them to Leticia Deleon at ldeleon@thefundsa.org by 12:00 p.m. on the day before the meeting. Comments will be read into the record during the designated time on the agenda.
 - b. In Person: Speakers shall be given the opportunity to speak at the beginning of the meeting during "Public Comment" for up to 3 minutes (6 minutes if translation is needed).
1. Call to Order:
 2. Roll Call: Doug Berry, Henry Trevino, Andrew Estrada, Chris Lutton, Michael Despres, Jason Sanchez, Councilperson Melissa Cabello Havrda, Councilperson Marc Whyte, Tom Silliman.
 3. EXECUTIVE SESSION (Discussion only – Closed to Public):

The Board of Trustees may recess the meeting to the public at any time and hold an Executive Session pursuant to the Texas Open Meetings Act, Chapter 551.071, of the Texas Government Code. Such Act provides for Executive Session on any matter to be considered during the meeting as it relates to consultation with attorneys, real property, personnel and other matters. While any matter on the agenda may also be discussed, these specific matters may be discussed with counsel in Executive Session:

- a. **Government Code §551.072 – Discussions Regarding Purchase, Exchange, Lease, or Value of Real Property if Deliberation in an Open Meeting Would Have a Detrimental Effect on the Position of Health Fund in Negotiations with a Third Party;**
 - b. **Government Code §551.071 - All Matters Where Health Fund Seeks the Advice of its Attorney as Privileged Communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas;**
 - c. **Pending or Contemplated Litigation; and**
 - d. **Government Code §551.074- Personnel Matters involving Senior Executive Staff and Employees of Health Fund.**
4. Minutes (Discussion and possible action):
 - Board Meeting Minutes for August 28, 2023

5. Public Comment
6. Committee Reports (discussion and possible action):
 - a. Investments:
 - b. Personnel/Audit:
 - c. Benefits:
 - Discussion and possible action on termination of USI
 - d. Legislative:
7. Administrative report (discussion and possible action):
 - a. Draft financial reports and list of expenditures for August 2023
 - b. Discussion of Strategic Business Planning Committee Meeting
8. Consultant Reports (discussion and possible action):
 - a. Legal: Report by Frank Burney
 - b. Foster & Foster
 - Prescription Benefit Analysis
 - Evaluation of cost effectiveness of health care plan
 - Changes of fee structure for Foster & Foster
9. Educational Opportunities (discussion and possible action):
 - IFEBP: Health Care Management Conference
March 4-5, 2024
 - IFEBP: Investment Institute
March 6-7, 2024
10. Recognition of Henry Trevino's service to the board:
11. Adjournment:

NOTE:

Speakers may address the Board regarding any specific Agenda Item, on any matter related to Fund business, or on matters that are within the scope of the authority and legislative functions of the Board. Speakers shall be given the opportunity to speak at the beginning of the meeting during "Public Comment" for up to 3 minutes (6 minutes if translation is needed.) Enumerated agenda items are assigned numbers for ease of reference only and will not necessarily be considered by the Board in that order. For those who need assistance due to physical challenges, accommodation can be arranged by contacting James Bounds at 210-494-6500.

September 6, 2023

Board of Trustees
Fire and Police Retiree Health Care Fund, San Antonio
11603 W. Coker Loop, Suite 130
San Antonio, TX 78216

Re: *Actuarial and Health & Welfare Consulting Services for the San Antonio Fire and Police Retiree Health Care Fund*

Dear Board of Trustees:

It is our understanding that the Board of Trustees would like to consider a retainer agreement with Foster & Foster that would cover the ongoing services associated with the Fund. We are providing two separate retainers, one for actuarial services and one for health & welfare consulting services. Below are the proposed services to be included in each:

• ***Actuarial Retainer Services:***

- Performance of an actuarial valuation and report for the Fund as of January 1 each year, with delivery by September 1 of the same year (Example: January 1, 2024 valuation to be delivered by September 1, 2024).
- Delivery of a GASB 75 report including all required disclosures for the fiscal year ending September 30.
- Calculation of average pay for Police and Fire members as of June each year for the following 12-month period as well as the development of the bi-weekly contribution, health plan deductible and out-of-pocket limits (as adjusted for CPI-U medical care).
- Attendance at up to two in person meetings with the Board of Trustees.

• ***Health & Welfare Consulting Retainer Services:***

- Actuarial Services
 - Prepare annual budget projections that will include information on the Fund's overall financial position, as well as a calculation of appropriate costs, projected claims experience, liabilities, fund reserves and claim trend factors.
 - Provide annual incurred but not reported (IBNR) and other required actuarial calculations as needed for GASB 75 reporting to the Fund's auditor for inclusion in the annual audited financial statements.
 - Financial Monitoring – monthly tracking/reporting on fund financials
 - Medical spending relating to non-clinic provided care
 - Pharmacy spending/contract monitoring relating to non-clinic provided care
 - Clinic spending

- Other administrative spending associated with the Fund
- Key performance indicators
 - Quarterly report of key performance indicators associated with the following:
 - Medical spending/claims relating to non-clinic provided care
 - Pharmacy spending/claims relating to non-clinic provided care
 - Clinic spending/claims
 - Other administrative spending
- Vendor Management
 - Negotiate with vendors on their renewal rates and charges.
 - Review year-end settlements and monitor vendor performance.
 - Respond to routine dispute resolution around claims administration.
 - Assist in the review of vendor renewal amendments and addendums.
 - Conduct meetings with carrier/suppliers to identify issues/problems and monitor performance against performance standards where applicable.
- Compliance support (JD, need some more meat here to keep them from having scope creep):
 - Review of plan amendments, Summary of Material Modifications (SMMs), Summary of Benefits and Coverage (SBC) and other routine participant notices prepared by the administrator or legal counsel.
 - Respond to administrative and plan design questions that arise during the normal course of operation and because of routine claims and appeals.
 - Provide general consulting services for legislative updates and regulatory compliance that arise during the normal course of operation.
 - Medicare Part D creditable coverage testing and Notices of Creditable or Non-Creditable Coverage.
- Project Management/Meeting attendance:
 - Work with Health Fund staff on an as needed basis to discuss issues, and develop/track overall project timelines
 - Ad-hoc service, such as responding to questions or addressing issues
 - Attendance at up to three Boar of Trustee meetings

Compensation associated with above services:

- **Actuarial Retainer Services:** Quarterly retainer of \$12,500 (\$50,000 annually). Retainer would start for September of 2023 and be held at this level for three years (through August of 2026). Beginning in September of 2026, retainer would increase by 3% per year. *Fees associated with 2023 services approved related to March 9, 2023 letter are separate from this retainer and would be paid as agreed to.*
- **Health & Welfare Consulting Retainer Services:** Quarterly retainer of \$21,000 (\$82,000 annually). Retainer would start for September of 2023 and be held at this level for three years (through August of 2026). Beginning in September of 2026, retainer would increase by 3% per year.

Services that are not included in the retainers detailed above would be billed according to hourly rates and terms included in the Master Agreement dated March 22, 2023.

Please let us know if you have any questions.

Respectfully Submitted,

By: Travis Smith, President, Health & Welfare



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

September 15, 2023

Board of Trustees
Fire and Police Retiree Health Care Fund, San Antonio
11603 W. Coker Loop, Suite 130
San Antonio, TX 78216

Subject: Develop Educational Materials to Provide to Membership on the Value of the Retiree Health Plan

Dear Board of Trustees:

Thank you for this opportunity to submit a proposal to Fire and Police Retiree Health Care Fund, San Antonio (the "Fund") regarding the development of a presentation to demonstrate the value of the benefits currently being provided to the retirees and dependents of the San Antonio Police and Fire departments. This proposal will provide details of services and activities which will be performed on behalf of the Fund and your members.

Foster & Foster Consulting Actuaries, Inc. ("Foster & Foster") is an independent actuarial consulting firm that is dedicated to maximizing the efficiency with which the dollars set aside by our clients are used to pay for benefits for hard-working families. Foster & Foster has provided these services for many clients for many years.

Foster & Foster works with hundreds of police and fire groups across the country and part of this work is helping members of these groups understand the value of the retirement benefits that are provided to the different groups. We look forward to partnering with the Board and Fund Office to develop these important materials.

Project Timeline:

- 10/01/2023 to 12/31/2023

Members:

- Pre-65 Retirees/Dependents and Medicare Retirees/Dependents Covered by the Plan

Identify the current questions and push back from members regarding the benefits provided and the costs associated with these benefits:

Requirements:

1. Select key contacts from the Fund Office, Board and any vendor partners to conduct interviews to gather feedback.
2. Identify the final forms of communication that are desired for the final work product (slide deck, formal report, one page flyer, postcard, live membership meetings, etc.)
3. Gather any additional plan or membership information that is currently not retained by Foster &



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Action:

1. Foster & Foster to conduct interviews with identified key stakeholders.
2. Foster & Foster to synthesize feedback from key stakeholders and the data we obtain to set key themes for the final work product.
3. Work together with key stakeholders to finalize the key themes of the final work product.
4. Develop a DRAFT of the final work product for review by key stakeholders.
5. Obtain feedback from key stakeholders.
6. Finalize document for distribution to membership.

Results:

1. Foster & Foster with work with the key stakeholders to finalize documents and provide the Board with these final documents to be distributed to membership.

Financial Proposal:

The Financial Proposal below is presented to the Fund for the identified services:

Service	Description	Fee
Education Materials for the Fund	Work with the Fund to educate the membership on the value of the retiree health benefits provided.	\$20,000 - \$40,000

Thank you for the opportunity to serve the Fund in this special project engagement.

Sincerely,

Travis Smith
 President, Health & Welfare Group
travis.smith@foster-foster.com
 (m) 630.945.7925

Acceptance of Proposal:

Fire and Police Retiree Health Care Fund, San Antonio
 :

Signature: _____

Name: _____

Title: _____

Date: _____



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NATIONAL PHARMACY PRACTICE



September 15, 2023

Board of Trustees
Fire and Police Retiree Health Care Fund, San Antonio
11603 W. Coker Loop, Suite 130
San Antonio, TX 78216

Subject: Review Pharmacy Claims / Identify Cost Drivers / Recommend Plan Modifications to Reduce Future Spend

Dear Board of Trustees:

Thank you for this opportunity to submit a proposal to Fire and Police Retiree Health Care Fund, San Antonio (the "Fund") regarding a review of your pharmacy spend drivers and opportunities to decrease your future pharmacy spend. This proposal will provide details of services and activities which will be performed on behalf of the Fund.

Foster & Foster Consulting Actuaries, Inc. is an independent actuarial consulting firm that is dedicated to maximizing the efficiency with which the dollars set aside by our clients are used to pay for benefits for hard-working families. Foster & Foster has provided these services for many clients for many years.

Foster & Foster is uniquely qualified to best perform these services on behalf of our clients partially due to the fact that, unlike many consultants, **The Foster & Foster National Pharmacy Practice** has *no* conflict of interests such as a preferred PBM vendor relationship or collecting commissions from any PBM's. Our analytics and evaluation will always have our clients' and their members as our ultimate priority!

Project Timeline:

- 10/01/2023 to 11/30/2023

Members:

- Pre-65 Retirees/Dependents and Medicare Retirees/Dependents Covered by the Plan

Identify Pharmacy Cost Drivers:

Requirements:

1. Obtain a contact name and email address at WellDyne.
2. Foster & Foster to request the 2021 and 2022 annual reporting package.
3. Foster & Foster to request 2023 YTD reporting.
4. Foster & Foster to work with WellDyne's IT staff for them to deliver Foster & Foster with claim files from 01/01/2021 to current as well as eligibility by month (eligible members and utilizing members).



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NATIONAL PHARMACY PRACTICE

Action:

1. Foster & Foster to load claim and eligibility files from WellDyne into F&F reporting system.
2. Foster & Foster will run a variety of reports that will identify key performance indicators (Avg. Plan Cost per brand and specialty claim, PMPM, Avg cost per Rx, # of paid claims.
3. Foster & Foster to review WellDyne reports from 2021 to current.
4. Foster & Foster will identify cost drivers such as new medications within drug mix.
5. Foster & Foster to identify current cost off-set programs in place such as a copay card maximizer and Patient Assistance.
6. Foster & Foster will identify current clinical programs in place such as Prior Authorization, Step Therapy, Quantity Limits and Short Fills.
7. Foster & Foster to understand which medications are rebate eligible.

Results:

1. Foster & Foster will produce a 3-year 2021 to current financial analysis based on Key Performance Indicators to identify trend lines for avg. specialty plan cost, avg. brand plan cost, PMPM, Avg plan cost per Rx and many other KPIs.
2. Foster & Foster will produce a report which identifies cost drivers such as:
 - a. New medications in drug mix / high-cost conditions (cancer)
 - b. Drug manufacturer price increases (Inflation)
 - c. Quantity increases
 - d. GLP-1 Usage
 - e. New to market medications
3. Foster & Foster will produce a report that contains recommended cost cutting solutions such as:
 - a. Plan Design Changes (Copays)
 - b. Cost off set programs (Copay Card Maximizer and Patient Assistance)
 - c. Financial Improvements (Discounts & Rebates) ...Market Check Opportunity
 - d. Lower cost medication opportunities.

Financial Proposal:

The Financial Proposal below is presented to the Fund for the identified services:

Service	Description	Fee
Pharmacy Program Performance Review	Review pharmacy claims from 2021 to current to identify cost drivers and opportunities to decrease future pharmacy spend.	\$20,000 - \$25,000