

KAIROS HEALTH ARIZONA, INC.

**Minutes of the Meeting of the Board of Directors
August 28, 2019**

A meeting of the board of directors of Kairos Health Arizona, Inc., was held on August 28, 2019, at 333 East Osborn Road, Suite 300, Phoenix, AZ 85012.

Members present: Sandy Cooper, teleconference
Jeffrey Gadd
Chris Knutsen
David Tharp
Michael Wright, teleconference

Members absent: Lana Berry
Rudy Rodriguez

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
Diviana Matuszewski: Ashton Tiffany, LLC
Hannah Olson: Ashton Tiffany, LLC
Tom Marreel: Marreel Slater Insurance
Scott Iwanowski: Marreel Slater Insurance
Patrick Kohlen: Claremont Capital Management, LLC
Tom Palmer: Claremont Capital Management, LLC
Washington Coven: Blue Cross Blue Shield of Arizona
Bob Jusell: Blue Cross Blue Shield of Arizona
Nathan Olson: Blue Cross Blue Shield of Arizona
Chris Welker: Wright, Welker & Pauole

A. Opening of the Meeting

1. Call to order

David Tharp consented to chair the meeting and called the meeting to order at 12:03 p.m.

2. Welcome visitors

Travis Baughn: Vice President of Clinical Initiatives, MaxorPlus

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Dee Ostrowicki: Benefits Coordinator, Chandler Unified School District

B. General Business

1. A motion was made to approve the agenda for August 28, 2019.

Chris Knutsen, moved
Jeffrey Gadd, seconded
Motion passed unanimously

2. A motion was made to approve the regular minutes from June 19, 2019.

Chris Knutsen, moved
Jeffrey Gadd, seconded
Motion passed unanimously

3. A motion was made to approve the regular minutes from July 1, 2019.

Chris Knutsen, moved
Jeffrey Gadd, seconded
Motion passed unanimously

4. Management report

The following items were discussed in the management report:

- Kairos management stewardship report;
- MaxorPlus update;
- regulatory update;
- marketing update on industry events;
- plan material distribution;
- the 2019 annual member survey;
- the 2018/2019 annual report;
- wellness update;
- Association of Governmental Risk Pools; and
- future meeting schedule.

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5. Financial report

Jeremy Larson presented the management dashboard for the period ending June 30, 2019. Gross contributions year-to-date were \$89,874,355, and administrative expenses including other revenue were \$2,375,580. The year-to-date net loss for the shared risk pool was \$568,149. Year-to-date net income for the self-insured program was \$3,637,822.

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

6. Claims report

Washington Covena and Bob Jusell presented the claims report through June 30, 2019.

C. New Business

1. Discussion and approval of the slate of nominees

Jennifer Darnall addressed current board representation, noting that Lana Berry and Chris Knutsen are serving as tier 2 directors, with terms to expire at the 2019 annual meeting. The board discussed tier 2 nominations for election to three-year terms at the annual meeting in November.

A motion was made to approve Lana Berry and Chris Knutsen as nominees.

Jeffrey Gadd, moved
Michael Wright, seconded
Motion passed unanimously

2. Discussion of officers

Jennifer Darnall presented the current list of board officers, as follows:

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

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

3. Discussion of strategic focus

John Ashton presented an overview of the Kairos strategic focus. He advised that although the principal focus would continue to be growth of the pool, other areas of emphasis included customer service, innovation, financial stability, vendor relationships, and market penetration.

No formal resolution was required.

4. Discussion of 2020/2021 plan design and benefit offerings

Tanya Edwards asked the board for preliminary direction regarding the 2020/2021 plan design and benefit offerings. She advised that staff was suggesting minimal changes to the plan benefits and asked the board if there were any additional items it wished to address at this time.

Jeffrey Gadd suggested that staff take into consideration financial wellness planning as a benefit offering.

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

5. Discussion and approval of 2019/20 Budget—Rev. 1

Jeremy Larson presented the draft of 2019/2020 Budget—Rev. 1, which included the changes described below:

- An increase in claim development over the most recent months resulted in an increase in estimated losses paid.
- The BCBS admin rate was higher than originally budgeted for Rev. 0.
- There was a decrease in operating expenses primarily attributable to elimination of the Origami implementation for the 2019/2020 fiscal year.
- Chandler USD was now enrolled in the shared risk pool dental program.

A motion was made to approve the 2019/2020 Budget—Rev. 1.

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Chris Knutsen, moved
Jeffrey Gadd, seconded
Motion passed unanimously

6. Discussion and approval of authority matrix

Lori Jundt presented the authority matrix, which outlined authority levels of individuals working on behalf of Kairos. She advised that there was one minor change from the prior year: the change in TPA to MaxorPlus from CVS.

A motion was made to approve the authority matrix.

Jeffrey Gadd, moved
Chris Knutsen, seconded
Motion passed unanimously

7. Discussion and approval of Kairos investment policy statement

Lori Jundt presented the Kairos investment policy statement, which governs the investment of funds for Kairos. She advised that the statement is reviewed annually, and that there was one minor revision to clarify that the total portfolio value includes cash and cash equivalents held in custody accounts.

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

Chris Knutsen, moved
Jeffrey Gadd, seconded
Motion passed unanimously

8. Discussion and approval of KIP investment policy statement

Lori Jundt presented the Kairos Investment Pool (KIP) investment policy statement, which governs the investment of funds for KIP. She advised that the statement is reviewed annually, and that there was one minor revision to clarify that total portfolio value includes cash and cash equivalents held in custody accounts.

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

Jeffrey Gadd, moved
Chris Knutsen, seconded
Motion passed unanimously

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D. Executive Session

A motion was made to enter executive session at 2:28 p.m.

Jeffrey Gadd, moved
Chris Knutsen, seconded
Motion passed unanimously

A motion was made to exit executive session at 2:30 p.m.

Chris Knutsen, moved
Jeffrey Gadd, seconded
Motion passed unanimously

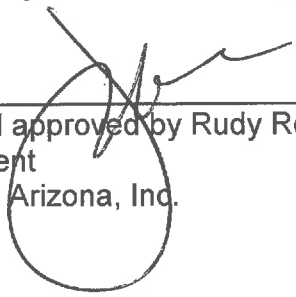
E. Open Session

1. A motion was made to approve the minutes of the April 17, 2019 executive session.

Chris Knutsen, moved
David Tharp, seconded
Motion passed unanimously

F. Adjournment

David Tharp adjourned the meeting at 2:31 p.m.



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