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**Minutes of Meeting of  
the Board of Trustees and of the Executive Committee of  
Public Agency Compensation Trust  
Date: November 15, 2004**

**1. Roll**

A quorum was present and Chairman Kalt called the meeting to order at approximately 4:35 p.m.

**2. Action Item: Approval of Minutes of Board Meeting of April 30, 2004**

On motion and second to approve the minutes, the motion carried.

**3. Action Item: a. Heart/lung claims update; status of litigation  
b. Review of results of PACT law enforcement/firefighter physical exams survey  
c. Review of results of legislative survey on heart/lung**

Wayne Carlson noted that there have been 15 heart or lung claims with approximately \$3.1 million in incurred claims costs (reserves plus paid) of which about \$620,000 has been paid. Of the 15 cases, 6 involve former employees/retirees and 1 death.

With respect to the two cases being litigated to the Nevada Supreme Court, Bob Balkenbush indicated that they had been briefed by the parties and were awaiting further action by the court.

Wayne Carlson noted that several physical examination survey requests were still outstanding, but that overall, the results revealed that several members reported that the examinations were not in compliance with the regulations since the required forms were not being utilized. Some requested assistance with monitoring examinations to assure they are being done. He noted that the summary spreadsheet included in the board packet had been updated for new surveys received, but that several still were needed.

The Legislative Interim Committee on SP292 requested that the Division of Industrial Relations conduct a survey to obtain certain information on heart/lung exposures for the purpose of requesting the legislature to authorize an actuarial study of the risks and costs

of the presumptive benefits for heart/lung for police and firefighters. Many members have responded to the request, but additional responses are needed. Wayne submitted the initial responses by the required deadline and will supplement those with the additional responses every two weeks until fully compliant with the legislative request.

4. **Action Item: a. Update on SpecialtyHealth MCO program  
b. Authorization for a law enforcement physical exam monitoring  
and wellness pilot program in Churchill County and City of Fallon**

Wayne Carlson noted that the relationship with SpecialtyHealth has been working well. Mike Livermore confirmed that the bill review function was going well and that their consultations on specific cases has been invaluable to the claims process.

Wayne referred the board to a handout of a proposal from SpecialtyHealth for physical exam monitoring and wellness pilot project for Churchill County and the City of Fallon. He explained that SpecialtyHealth would provide heart monitors and support services for lung capacity testing as part of the project in conjunction with the University School of Medicine and Washoe Health System in support of the local physical exam provider. SpecialtyHealth would receive the results from the exams, assure they were conducted as required by law, assess the results from a wellness program perspective and, where needed, set up a wellness program for officers whose physical results fall outside the acceptable range. The cost will be \$250 per officer for the monitoring program with an anticipated total cost of about \$15,000.

On motion and second to approve the pilot program, the motion carried.

5. **Action Item: Review of Payroll Audit Results; ACH transfer program update;  
action on any changes**

Wayne Carlson noted that while the overall audited results showed that the ACH transfer program was effective and that the overall assessments increase was 4%, approximately one-third of the members had differences of plus or minus 10% or more. Some of the dollar differences were significant for the larger percentage differences; others were small. A couple of payroll audits were being reviewed to sort out significant differences in reported payroll and it appears that they will result in greatly reduced amounts. Members generally appear to like the program. Only one member has requested to opt out of it and staff is following up on the reasons. In discussion, Bruce Brooks asked when the refunds or invoices would be processed. Debra Connally indicated that because of the disputed payroll audits and the PACT financial audit being held up as a result, they had not been processed. Bruce asked whether partial processing for undisputed audits could be done and was assured that they would now be processed.

On motion and second to accept the report, the motion carried.

6. **Action Item: Accept Annual Audit**

Wayne Carlson indicated that the annual audit was not yet complete due to certain payroll audit and assessment confirmations remaining outstanding. However, the preliminary results indicated that PACT's net income would be in excess of \$2.2 million, thus

increasing equity to about \$7.2 million. Chairman Kalt requested a motion to authorize the Executive Committee and Audit Committee to review and accept the audit on behalf of the board.

On motion and second to authorize the Executive Committee and Audit Committee to review and accept the audit on behalf of the board, the motion carried.

**7. Action Item: Adopt Modified Loss Control Excellence Program**

Chairman Kalt referred the board to the presentation by Willis Pooling during the Joint Board Meeting about the modifications to the Loss Control Excellence Program to accommodate hospitals and other members who did not have the full range of risks that other members have for the purpose of the evaluation. The Loss Control Committee previously approved the changes and recommended them to the board.

On motion and second to adopt the modifications to the Loss Control Excellence Program as recommended by the Loss Control Committee, the motion carried.

**8. Public Comment**

Chairman Kalt opened public comment. No public comment was received.

**9. Action Item: Adjournment**

On motion and second to adjourn, which motion carried, the meeting adjourned at about 5:11 p.m.