

**Clinton-Essex-Warren-Washington  
Health Insurance Consortium**

P.O. Box 455  
Plattsburgh, NY 12901

DATE: November 9, 2017  
KIND OF MEETING: Board of Directors Meeting  
PLACE: Instructional Services Center  
Plattsburgh, NY

Board Members Present:  
Stephen Broadwell  
Mark Davey  
John Fairchild  
Cynthia Ford-Johnston  
Robb Garrand  
Stephen Gratto  
William Larrow  
Jay Lebrun  
Daniel Mannix  
Laura Marlow  
Daniel Mayberry  
John McDonald, Jr.  
Scott Osborne  
Jonathan Parks  
Paul Savage  
A. Paul Scott

Board Members Absent:  
Shari Brannock

Chairperson:  
John McDonald, Jr.

Recording Secretary:  
Jessie Moulton

Others Present:  
Jacqueline Kelleher  
Steve Locey  
Hollis Palmer  
Christine Myers  
Audience Members

MEETING TO ORDER Chairperson McDonald called the meeting to order at 9:06 a.m.

PUBLIC COMMENT SESSION Rod Sherman shared that he attended a convention in Las Vegas, and found that many of the Consortiums represented there had their own websites, which helped with member education and member engagement. Mr. Sherman commended the Consortium for establishing the Ad hoc Committee.

Carol Solari-Rusco shared her concern over the merger of the two (2) hospitals, and how x-ray costs may have increased as a result.

Nancy Thorley stated her concern regarding the overuse of the Emergency Room. She would like to see everyone work together to accomplish the goals of the Consortium.

MINUTES OF PREVIOUS MEETING Mr. Larrow moved, seconded by Mr. Lebrun, to adopt the minutes of the June 28, 2017 and October 12, 2017 meetings. All Board Members present voted yes – motion carried.

RENEWAL OF CONTRACTS Mr. Broadwell moved, seconded by Mrs. Ford-Johnston, to approve the renewal of the following contracts/policies:

- a. Directors' & Officers' (10/01/2017 – 10/01/2018)
- b. General Liability (Special Multi-Peril) (10/01/2017 – 10/01/2018)

All Board Members present voted yes – motion carried.

RECOMMENDATIONS OF THE AD HOC COMMITTEE

Dr. McDonald expressed his thanks to the Ad hoc Committee and how proud he is of the work they have accomplished.

Handouts:

- Recommendations of the Health Consortium Task Force for the Remainder of 2017-18
- At A Glance
- 2015/2016 to 2016/2017 Actual Results, 2017/2018 Adopted and Updated Budgets and Projected Results 2018/2019 (this does not reflect a mid-year rate change)

Dr. Hollis Palmer reviewed the handouts.

The At A Glance handout showed a large increase in the number of high claimants.

Mr. Mannix stated that he attended the 11/8/2017 Ad hoc Committee meeting and remarked what an impressive group they are. He appreciates all the data they have provided.

There was discussion regarding the idea that although the cost of each individual procedure may not have increased, the number of procedures utilized may have increased.

Steve Locey stated that he has tasked Excellus BC/BS with the following:

- 1) Has there been a change in utilization patterns?
- 2) Has the hospital (UVM-CVPH) internally shifted any billings for lab, x-ray, etc., from CVPH to Vermont?

There was discussion regarding the following:

- 1) Services may now become available in only New York or Vermont, not both.
- 2) Importance of changing consumer behavior.
- 3) Steve Locey will look into what facilities in other areas are charging, such as Glens Falls, NY and Middlebury, VT.

FINANCIAL UPDATE

Handout – Consortium Task Force Report and Recommendations, dated November 9, 2017 (PowerPoint) - Steve Locey

Steve Locey pointed out that approximately \$0.94 on every \$1.00 goes to paid claims.

Steve explained that Excellus has the same network for everyone, so they have an extreme vested interest in making sure that there is not a systematic issue with the billing. They, too, would like to minimize what they are spending.

The area of most concern is the outpatient medical, which has the largest increase. Some of the increase may be due to the large losses, but that has not yet been confirmed.

As a point of information, this health insurance plan was based on one written in the 1970's.

The Recommended Action Items of the Ad hoc Committee were reviewed.

There was discussion regarding possibly appointing someone to audit all of the claims, or at least more than the standard, as another Consortium is doing.

There was a concern about Excellus paying providers more than what was billed, and Steve Locey explained why this happens sometimes; it's based on the reimbursement model used by Excellus.

Locey & Cahill will lead the Consortium through an RFP for insurance carriers. It was suggested that the Consortium schedule a meeting soon for Excellus BC/BS and Empire BC/BS to attend, in order for them to give presentations.

Both Mr. Scott and Mrs. Ford-Johnston suggested that other Board Members step in, in their places on the Ad hoc Committee, because of their status as Interim Superintendents. Mr. Fairchild and Mr. Gratto volunteered to join the Ad hoc Committee.

There was further discussion regarding the audit of claims and expanding outreach and transparency with members.

Mr. Scott moved, seconded by Mr. Osborne, to accept the recommendations of the Task Force as presented;

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## **Recommendations of the Health Consortium Task Force for the remainder of 2017-18.**

### **1. To insure prompt information on the status of the consortium's funds**

Increase the meeting frequency to feature a Board meeting every other month, and commission the Consortium Office to provide monthly financial statements to the Board of Directors.

### **2. To insure the consortium is providing coverage for the appropriate persons**

Initiate a dependent eligibility survey prior to the end of the current fiscal year, as part of establishing a three-year milepost for such strengthened verification of eligibility for health insurance coverage through the Consortium; and that the Consortium Office

also move ahead with advance notice via multiple communications channels to provide ample and early notice to constituents, as part of helping to minimize any surprises that would occur.

**3. To insure that the consortium revenues are paid timely**

Activate the ‘timeliness of payments’ protocol associated with the Consortium’s municipal cooperation agreement.

**4. To establish the appropriate contribution rates for future years and to examine ways to decrease costs**

Establish an ad-hoc audit & finance committee, as follow-up to the task force’s fall 2017 efforts and as part of continued oversight by the Board of Directors regarding the Consortium’s financial planning and tracking. The ad-hoc committee’s membership should include the Consortium’s administrative liaison and treasurer.

**5. To insure financial security for the remainder of the 2017-2018 fiscal year**

Enact a 2017-18 mid-year premium rate increase of ten percent (10%), effective January 1, 2018.

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It was clarified that the mid-year increase of 10% is in addition to the original 4% increase that was approved effective July 2017.

Steve will get the new rates to Recording Secretary Jessie Moulton, who will send that information out to the districts.

Per the Municipal Cooperation Agreement, there may be a fee assessed for late payments, starting with the January 2018 premium payment.

All Board Members present voted yes – motion carried.

SCHEDULE NEXT  
ADVISORY/EXEC  
UTIVE  
COMMITTEE  
MEETINGS AND  
NEXT BOARD OF  
DIRECTORS  
MEETING

Ad hoc Committee – December 2017

Board of Directors – January 11, 2018, at the Duken Building of the Plattsburgh City Schools.

PUBLIC  
COMMENT  
SESSION

Rod Sherman stated he is very pleased by the suggestion of a forensic audit.

Chris Chandler (NYSUT) expressed NYSUT’s willingness to help in any way they are

able.

Phil Lupe (CSEA) expressed that CSEA extends their assistance also. He asked if the Consortium purchases Stop Loss insurance. *Steve Locey explained that years ago the Consortium did purchase Stop Loss insurance, but once the fund balance reached a high level, a reserve was established instead. The Consortium will look at possibly purchasing Stop Loss insurance again.* Mr. Lupe asked if Steve Locey knew if the trend acceleration was more predominant in Plan 1 or Plan 2. *Steve said he is still looking into that.*

Bob Joyce stated his concern that the Advisory Committee was not at any of the Ad hoc meetings. He feels doctors are part of the issue of the increased costs. Mr. Joyce also mentioned that there have been problems with some hospital bills; the bills show zero patient responsibility in one place, but then in another shows a balance due. One of the reasons we left Empire BC/BS was due to communication issues and the way they were handling money, and how the money went back to the members.

Megan O'Brien (NYSUT) asked if the Board has information on other New York Consortiums, to see if they are experiencing similar concerns regarding the national trend. *Steve Locey stated that he has 6 school consortiums that utilize Excellus BC/BS and he will work on getting FEH data, and will share on the listserv.*

ADJOURNMENT

Mr. Osborne moved, seconded by Mr. Mayberry, to adjourn the meeting at 10:48 a.m. All Board Members present voted yes – motion carried.

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Jessie Moulton, Recording Secretary