

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

P.O. Box 455
Plattsburgh, NY 12901

DATE: March 6, 2019

KIND OF MEETING: Board of Directors Meeting

PLACE: CVES Instructional Services Center
Plattsburgh, NY

Board Members Present:

Mark Bessen
Mark Davey
Justin Gardner
Robb Garrand
Stephen Gratto
William Larrow
Jay Lebrun
Daniel Mannix
Laura Marlow
Daniel Mayberry
John McDonald, Jr.
Scott Osborne
Jonathan Parks
Paul Savage

Board Members Absent:

Shari Brannock
Joshua Meyer
Thomas Palmer

Chairperson:

John McDonald, Jr.

Recording Secretary:

Jessie Moulton

Others Present:

Eric Bell
Jacqueline Kelleher
Christine Myers
Hollis Palmer
Larry Singer
Audience Members

MEETING
TO ORDER

Chairperson McDonald called the meeting to order at 9:04 a.m. with the Pledge of Allegiance and introductions.

PUBLIC
COMMENT
SESSION

No comments.

MINUTES OF
PREVIOUS
MEETING

Mr. Lebrun moved, seconded by Mr. Mayberry, to adopt the minutes of the January 14, 2019 meeting. All Board Members present voted yes – motion carried.

CONSENT
AGENDA

Dr. Davey moved, seconded by Mr. Gratto, to approve the following by consent agenda:

2019-2020 Appointment of Officers & Officials

Chairperson: Dr. John McDonald, Jr.

Vice-Chairperson: Dan Mannix

Chief Fiscal Officer: Christine Myers

Secretary: Dan Mayberry

Recording Secretary: Jessie Moulton

Attorney-at-Law: Jacqueline Kelleher, Esq. of Stafford-Owens-Pillar-Murnane-Kelleher & Trombley, PLLC

Attorney-in-Fact: Dr. Mark Davey
FOIL Records Access Officer: Jessie Moulton
Records Access Appeal Officer: Dr. John McDonald, Jr., Chairperson

Appoint Signatories for 2019-20

Christine Myers (CVES Treasurer)
Sherry Aguglia (CVES Deputy Treasurer)
Hollis Palmer (Administrator)
Eric Bell (CVES Assistant Superintendent of Management Services)

**Add Eric Bell (CVES ASMS) for the remainder of the 2018-19 school year

Designate Depositories for 2019-2020

-Official depositories for the Consortium's accounts-
TD Bank and NYCLASS

-Official depositories for temporary investments-

TD Bank, Community Bank, Glens Falls National Bank and Trust, National Bank and Trust (NBT), Key Bank, Champlain National Bank, Adirondack Bank and NYCLASS

Appoint Medical Plan Administrator for 2019-2020

Excellus BlueCross BlueShield

Resolution for Chairperson to authorize contract renewals

RESOLUTION to authorize the Chairperson of the CEWW Health Insurance Consortium, John McDonald, to approve payments and/or enter into tentative agreements with vendors, subject to final approval by the Board of Directors at the next scheduled Board of Directors' meeting.

All Board Members present voted yes – motion carried.

UPDATE ON
MEMORANDUM
OF
UNDERSTANDING

Dr. Hollis Palmer explained the need for the MOU to be ratified as soon as possible. This will allow the four (4) labor seats to be added to the Board of Directors, and help to avoid grievances for certain plan changes.

Mrs. Marlow voiced her concern that SAANYS is not represented on the Advisory Committee. It was clarified that not all labor groups are represented, but SAANYS now has a non-voting representative on the Advisory Committee. Also, the labor groups will be deciding who will fill the four (4) seats on the Board of Directors, of which one or all could be from SAANYS. The seats are not designated to any particular labor group. It was stated that any vote by the Advisory Committee is not a binding vote; it is a vote on what will be recommended to the Board of Directors, who will have the final vote.

Joanna Orr (SAANY) stated she does not have a copy of the final MOU. Recording Secretary Jessie Moulton will provide her with a copy.

Jaci Kelleher will circulate a standardized form for Superintendents to use to notify the Consortium of the district's support of the addition of four (4) new members to the Board of Directors.

Chris Chandler said by next Friday he will be through most of his "road shows" and should have an idea of the status of the MOU. Mr. Osborne said that Chris Chandler did an excellent job at his presentation at Elizabethtown-Lewis CSD.

RECEIVE 2018-
2019 MONTHLY
FINANCIAL
UPDATE

Dr. Hollis Palmer stated that our cash-on-hand is low. Hollis thanked Larry Singer for his help with the prescription rebates. Larry wants to normalize and regulate the prescription rebates.

APPROVE
BENETECH AS
THE ACCOUNT
MANAGER FOR
RETIREE DRUG
SUBSIDY (RDS)
SERVICES

Mr. Gratto moved, seconded by Mr. Parks, to approve Benetech as the Account Manager for Retiree Drug Subsidy (RDS) services. All Board Members present voted yes – motion carried.

The agreement with Benetech is effective January 1, 2019.

APPROVAL OF
RFP FOR
MEDICAL AND
PRESCRIPTION
DRUG
ADMINISTRATOR(S)
– SERVICE FEE
NOT TO EXCEED
\$75,000

Mr. Parks moved, seconded by Dr. Davey, to approve the RFP for medical and prescription drug administrator(s), with the service fee by Segal Consulting not to exceed \$75,000.

Dr. Hollis Palmer stated that the potential for savings in prescription rebates alone could make it well worth conducting the RFP. Segal's expertise is essential in helping the Consortium save money in any way possible. Larry Singer explained that the RFP will be a very comprehensive review.

Mr. Lebrun stated that he felt Brendan Foley represented Segal very well as our Consultant.

Mr. Lebrun asked Larry Singer if he expects to make the change by 1/1/2020 or 7/1/2020? Larry felt 7/1/2020 was more feasible. Mr. Lebrun then asked which insurance companies would be included in the RFP. Larry Singer listed BlueShield of Northeastern NY, Empire (Anthem), CD PHP, MVP and the incumbent, Excellus. United Healthcare and Aetna were also mentioned, but they are not as common in our area.

Dr. Davey voiced his concern regarding the time frame of making the change, and how there is an urgent need for changes now. Larry Singer agreed, stating that because the Article 47 process will take a while, it is logical to quickly get achievable savings. As part of the RFP bidding process, beyond asking about finances and networks, Segal will also be asking administration questions. Larry also mentioned it is possible to supplement an insurance company with a third-party administrator for "nimbleness".

Mr. Mannix thanked Segal for the information, especially since we were told in the past that we had no other options besides Excellus. He also thanked the Board of Directors for approving the switch to Segal Consulting.

Mr. Mannix asked how deductibles and out-of-pocket maximums, which run on a calendar year, would be kept track of if a change was made other than January 1. Larry Singer explained that insurance companies would communicate with each other and share claims information; it should not be an issue.

All Board Members present voted yes – motion carried.

APPROVE
BUDGET AND
PREMIUM
EQUIVALENT
RATES FOR 2019-
2020 FISCAL YEAR

Dr. Hollis Palmer explained that Plan 1 is currently overpaying, while Plan 2 is underpaying. At their February 26, 2019 meeting, the Advisory Committee talked about recognizing that difference when deciding on the recommendation for the rate increases. There was also discussion at the Advisory Committee meeting about the discrepancies in premium for the Family, Individual and Medicare plans, but decided that was too much change too soon; just focus on Plans 1 and 2 for next year.

Segal had a range of recommendations; the lowest was a 9.6% increase, which would be considered break-even, and the highest was a 16.6% increase, which would get us to a point to have enough reserves for Article 47. If we went in the middle, we could still approach the state about Article 47 and show that we're working on building reserves. The Advisory Committee's recommendation is a 13.5% overall increase. Starting with next week's meeting, the Advisory Committee will be focusing on plan changes. Hollis would like to have a package of plan changes for the Board's consideration at the June 2019 Board of Directors meeting.

Topics discussed were:

- 1) The recommendation of a 13.5% increase;
- 2) The importance of adding the four (4) seats to the Board of Directors;
- 3) Building reserves for Article 47 at a slower pace;
- 4) Basing the decision on what's best for the Consortium and its members, versus the local district budgets;
- 5) The plan is very expensive and that needs to be addressed.

Mr. Mannix made a motion for a 13.5% increase for both Plans 1 and 2. There was no second.

Mrs. Marlow made a motion for an 11% increase, recognizing the differential between Plans 1 and 2.

Further discussion regarding the impact of the percentages on both the districts and the plan.

At 10:25 a.m. there was a 5 minute recess.

Reconvened at 10:31 a.m.

Further discussion. Larry Singer explained that it makes sense to increase the two plans separately, as they each have their own actuarial value. Migration is not an immediate risk, but it needs to be normalized.

Mrs. Marlow made a motion to modify her previous motion to an 11.5% increase, with a 3% differential between Plans 1 and 2. Mr. Savage seconded this motion.

Further discussion.

Mrs. Marlow withdrew her previous motion.

Mr. Mannix made a motion for a 13.1% increase for both Plans 1 and 2. There was no second.

Mr. Parks moved, seconded by Mr. Osborne, to approve the budget proposal made by the Advisory Committee, with an overall 13.5% increase, with the following increase breakdown; Plan 1 – 12.9%, Plan 2 – 15.9%, Plan 1 Medicare – 9.8%, Plan 2 Medicare – 12.8%, and Bronze Plan 13.5%: Mr. Savage—yes; Mr. Mannix—yes; Mr. Bessen—yes; Dr. Davey—yes; Mr. Osborne—yes; Mr. Mayberry—yes; Mr. Larrow—yes; Mr. Garrand—yes; Mrs. Marlow—yes; Mr. Lebrun—yes; Mr. Parks—yes; Mr. Gratto—yes; Dr. McDonald—yes; Mr. Gardner—yes—motion carried.

PUBLIC
COMMENT
SESSION

Dr. Hollis Palmer announced that he would be done working with the Consortium at the end of June 2019. Mr. Mannix stated that Hollis has done a tremendous job in this position.

Mr. Savage stated that there was a flyer from AHI Imaging in the “Strictly Business” publication, showing the difference in MRI costs between their facility and the hospital (CVPH and UVM).

Mr. Gratto shared that Excellus held a presentation at Schroon Lake CSD on how to sign up for telemedicine.

There will be a Board of Directors meeting for the Workers’ Compensation Consortium just before the CSO meeting on April 3, 2019, in Mineville. The next Health Insurance Board of Directors meeting is currently scheduled for June 4, 2019.

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ADJOURNMENT Mr. Gardner moved, seconded by Mr. Lebrun, to adjourn the meeting at 11:00 a.m. All Board Members present voted yes – motion carried.

Jessie Moulton, Recording Secretary