

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

P.O. Box 455
Plattsburgh, NY 12901

DATE: September 24, 2020
KIND OF MEETING: Board of Directors Meeting
PLACE: Remote Via Webex Event

Board Members Present:

Mark Davey
Cynthia Ford-Johnston
Justin Gardner
Stephen Gratto
James Knight, Jr.
William Larrow
Jay Lebrun
Phil Lupe
Daniel Mannix
Kim Mayer
Joshua Meyer
Scott Osborne
Thomas Palmer
Javier Perez
Emy Pombrio
Bob Porter
Paul Savage

Board Members Absent:

Shari Brannock
Robb Garrand
Daniel Mayberry

Chairperson:

Jay Lebrun

Recording Secretary:

Jessie Moulton

Others Present:

Eric Bell
Christine Myers
Jon Parks
Brian Gilligan
Larry Singer
Gina Giegling

MEETING
TO ORDER

Chairperson Lebrun called the meeting to order at 9:10 a.m.

PUBLIC
COMMENT
SESSION

No comments.

MINUTES OF
PREVIOUS
MEETING

Mr. Osborne moved, seconded by Dr. Davey, to adopt the minutes of the August 5, 2020 meeting. All Board Members present voted yes – motion carried.

AUTHORIZE
RENEWAL OF
CONTRACTS

Mr. Perez moved, seconded by Mr. Larrow, to approve the renewal of the following contracts:

- (a) Approve the Directors & Officers policy for 10/01/2020 – 10/01/2021.
- (b) Approve the General Liability (Special Multi-Peril) policy for 10/01/2020 – 10/01/2021.

All Board Members present voted yes - motion carried.

FINANCIAL
UPDATE

Mr. Lebrun turned the meeting over to Eric Bell for a financial update.

Eric reviewed the 6/30/2020 year end financials. Revenue is under budget due to migration from Plan 1 to Plan 2. Rebates helped to make up for that shortfall. Claims are also below budget, which is due in part to the pandemic, in addition to the change in carriers. Eric noted that the financial reports are no longer on a cash basis but are now on an accrual basis, which reflects more real-time reporting throughout the year. Unrestricted net assets as of 6/30/2020 are \$17.96 million, compared to \$8.86 million as of 6/30/2019. We were paying claims to both Excellus and Empire through 6/30/2020. Therefore, we were carrying two (2) IBNR reserves for each carrier totaling just under \$15 million. As of July 1, 2020, the Excellus IBNR is released back to the Consortium, totaling over \$6.75 million in freed up cash flow. July and August 2019 were negative financial months, but we have had positive net income this July and August. The plan is in a strong financial position to start this year.

Mr. Parks noted that this claims trend started in November 2019 and continues to be favorable. Mr. Parks also stated that he is working with Segal and Excellus on some 2019 claims that are still in dispute.

Mr. Mannix thanked Eric and Christine; this is a terrific report, but cautions that we are careful as we move forward.

Dr. Davey echoed Mr. Mannix's thanks. He asked if there are any expected projections due to the reopening of healthcare. Larry Singer of Segal Consulting stated they are watching this very closely, and noted there will be an estimation of normalization of healthcare taken into consideration when they help the plan set rates.

There was further discussion regarding:

- Reserves (including rate stabilization reserve, possible reserve fund for Medicare retirees)
- stop-loss coverage
- Articles 44/47

RESOLUTION TO
AUTHORIZE THE
CHAIRPERSON TO
SIGN DEPENDENT
ELIGIBILITY
VERIFICATION
AUDIT
AGREEMENT
WITH PART D
ADVISORS

Mr. Osborne moved, seconded by Mr. Meyer, to authorize the Chairperson to sign the Dependent Eligibility Verification Audit Agreement with Part D Advisors.

Mr. Parks explained that after the RFP responses were received and reviewed, two companies, Secova and Part D Advisors (PDA), were interviewed. PDA is currently working with the Consortium on the retiree drug subsidy audit, and they had a lower fee (approximately \$41,000). If this Board approves, PDA will begin as soon as the agreements are signed.

All Board Members present voted yes – motion carried.

DISCUSSION ON
RETIREE DRUG

Mr. Parks shared on his screen the CEWW Health Insurance Consortium RDS Reimbursement report for 2017-2019. Currently the reimbursements are paid directly

SUBSIDY
REIMBURSEMENTS
TO BE PAID
DIRECTLY TO
THE
CONSORTIUM
BEGINNING JULY
1, 2021

to the districts. Mr. Parks is recommending that these funds be brought into the Consortium. This will be an action item on the next agenda, and will be recommended to go into effect for 7/1/2021. The income would be used to reduce rates. This will make the RDS process similar to how the prescription drug rebate process works, and will distribute the revenue more evenly. Eric Bell pointed out that all claims are pooled, but not all revenue is.

Discussion followed. Eric Bell and Mr. Parks will be available to have further conversations with anyone who may have more questions.

Dr. Davey suggested having another “work session” for the Board, and Mr. Lebrun agreed.

DISCUSSION ON
PRE-
AUTHORIZATION
FOR PHYSICAL
THERAPY/CHIRO-
PRACTIC
SERVICES

There had been discussion regarding pre-authorization for physical therapy (PT) and chiropractic services at the last Board meeting, and then it went to the Advisory Committee for further discussion.

Mr. Parks introduced Gina, a representative of AIM, Brian Gilligan from Empire and Larry Singer from Segal Consulting. Mr. Parks explained that the Advisory Committee looked at the information and options. The recommendation was to keep the prior authorization in place, but with the realization that some cases are unique and need more attention. Mr. Parks asked Gina to explain some ways that AIM can help providers and members. Gina explained how the program works and noted that there is a very high approval percentage for the initial set number of visits. Gina discussed:

- if ongoing treatment needed, the provider must go back to the portal
- additional documentation must be uploaded for unique cases
- very strong customer service
- AIM has a leadership escalation program that moves the case more quickly up the line

Mr. Mannix stated that he is not hearing this from the providers. He has heard that the process is very rigorous, arduous and negatively impacts their business. Mr. Mannix has experienced this first-hand on a personal level, and has heard of others having the same experience. Peer to peer reviews are not always happening (a physical therapist might be directed to speak to a speech therapist). Some providers are threatening to go out-of-network. Mr. Mannix feels this part of the plan is a colossal failure. He is not opposed to pre-authorization, but feels the pendulum has swung too far in the other direction.

Gina from AIM explained that a provider can request to speak with a same-disciplined reviewer, but it might not be immediate. Mr. Mannix said thank you, but he is still disappointed, and asks that the labor representatives really look into this matter.

There was further discussion. Mr. Lebrun asked what outreach has been done with the unhappy providers. Mr. Parks stated that the Empire and AIM team are attempting to resolve issues. He also noted that Empire representative Rosemary Souza-Botten is excellent at advocating for our members, and to feel free to reach out to her for unique

cases.

Gina went on to explain that part of the criteria is that there has to be a reasonable expectation that the member will improve. She explained that there is provider training offered several times a month. Providers also have email access to AIM, and representatives get back to them the same day.

Mr. Parks stated that the Consortium office is willing to have conversations with AIM and providers.

Larry Singer thanked the Board for politely stating their concerns with AIM. We could have future discussions with Empire and AIM to determine a way to have care management with customer sensitivity.

Gina left the meeting.

BENEFIT
DIRECTOR
UPDATE

Eric Bell explained that the CVES Board took action to appoint a Benefits Director at the September 2020 meeting. However, the candidate received a counter-offer from her employer, and ended up declining the position with CVES. Swift action is being taken, there will be another round of interviews and we are hoping to have a candidate for the October 2020 CVES Board meeting.

Mr. Lebrun expressed his thanks to Mr. Parks for continuing in the position.

PUBLIC
COMMENT
SESSION

No comments.

POSSIBLE
EXECUTIVE
SESSION

No executive session needed.

ADJOURNMENT

Dr. Davey moved, seconded by Mr. Meyer, to adjourn the meeting at 10:55 a.m. All Board Members present voted yes – motion carried.

Jessie Moulton, Recording Secretary