

Clinton-Essex-Warren-Washington Health Insurance Consortium

P.O. Box 455
Plattsburgh, NY 12901

DATE: December 10, 2020
KIND OF MEETING: Board of Directors Meeting
PLACE: Remote Via Webex Event

Board Members Present:
Mark Davey
Cynthia Ford-Johnston (*left at 10:46 a.m.*)
Justin Gardner
Robb Garrand
Stephen Gratto
James Knight, Jr.
Jay Lebrun
Phil Lupe
Daniel Mannix
Daniel Mayberry
Kim Mayer
Joshua Meyer
Scott Osborne (*left during agenda item #6*)
Thomas Palmer (*arrived approx. 9:51 a.m.*)
Bob Porter
Paul Savage

Board Members Absent:
Shari Brannock
William Larrow
Javier Perez
Amy Pombrio

Chairperson:
Jay Lebrun
Recording Secretary:
Jessie Moulton

Others Present:
Eric Bell
Vicki Giroux
Christine Myers
Vanessa Flynn
Brian Gilligan
Jaci Kelleher
Kevin Klemm
Darren Moser
Jon Parks
Amy Pedrick
Emilee Quantock
Michael Rossi

MEETING TO ORDER

Chairperson Lebrun called the meeting to order at 9:34 a.m.

PUBLIC COMMENT SESSION

Mr. Mannix presented some member issues that were brought to his attention regarding the following:

- Prior approval for a surgery
- Physical therapy visits determined to be not medically necessary
- CT scan only covered if member went to ER

Mr. Mannix feels there is a need to revisit the topic of the limit on visits for physical therapy and chiropractic services. He believes we are moving in a regressive manner. Mr. Mannix would also like us to reach out to providers.

Mr. Lebrun suggested that this matter be revisited by the Advisory Committee and asked Mrs. Giroux to facilitate this.

MINUTES OF PREVIOUS

Correction – The date of the previous minutes to be approved should be September 24, 2020, not November 24, 2020 as listed on the agenda.

MEETING

Mr. Osborne moved, seconded by Mr. Mannix, to adopt the minutes of the September 24, 2020 meeting. All Board Members present voted yes – motion carried.

AUDITORS
REPORT FROM
WEST &
COMPANY

Michael Rossi of West & Company summarized the financial statement and explained that the Consortium received an unmodified opinion, which is the highest opinion they offer.

Mr. Rossi did caution that due to the pandemic, the decrease in elective procedures may take awhile to rebound.

Mr. Rossi thanked CVES (including Dr. Davey, Eric, Christine and Jessie) for providing everything they needed to conduct the audit.

Mr. Lebrun asked about the MD&A (Management's Discussion and Analysis). Mr. Bell explained the four (4) main issues:

- The Advisory Committee conducted a deep dive into claims
- MOU for all bargaining units among the districts
- COVID-19
- Unknowns of pandemic – closely monitor

Dr. Davey commended the auditors for their work.

There was discussion on the following:

- Kevin Klemm explained that with the year split between Excellus and Empire, Segal had to combine two (2) reports to come up with reserves (provided in late August). It is difficult to forecast as claims will probably be increasing the second part of the year.
- Mr. Klemm stated that they are seeing a downward trend, with most of their clients, in terms of COVID-19 claims.
- Brian Gilligan shared that Empire projects only a 2% bounce back in claims.

RESOLUTION TO
APPROVE THE
FINANCIAL
STATEMENTS
FROM WEST &
COMPANY

Mr. Mayberry moved, seconded by Mr. Gratto, to acknowledge receipt of the auditor's report.

All Board Members present voted yes – motion carried.

FINANCIAL
UPDATE

Mr. Bell shared the financial reports on his screen. Premium income is 1% below budget, due to migration from Plan 1 to Plan 2. Interest income is well short of projections. Revenue overall is tracking to be 3% below budget for the year. Stop loss premium savings are expected. The plan is in a good financial position.

There was discussion on prescription drug rebates:

- The methodology

- Which drugs are eligible for rebate
 - Rebates are one of the major reasons the Consortium moved from Excellus
- Mr. Parks explained that we are still working with lagging claims/credits with Excellus, which Segal is assisting with, and he will be sure to see this issue through to its conclusion.

Mr. Parks explained some reasons for the budget shortfall:

- Behind in premiums (layoffs, retirees becoming Medicare eligible, migration from Plan 1 to Plan 2)
- Decrease in prescription drug rebates
- Increase in IBNR

We continue to come in below budget for claims

Mr. Lebrun reminded the group that a decrease in premium income may also mean a decrease in expenditures long-term.

Mr. Gardner asked if there were any anticipated costs for vaccines. Brian Gilligan said that was unknown, but the government is expected to pick up the bulk of the costs, and the plan would only pick up the cost to administer the vaccine (this is the information we have at this time).

Mr. Mannix asked why 20% for the IBNR for next year. Mr. Parks did ask Empire to reduce this. Kevin Klemm stated that we will revisit at the end of the fiscal year and look at lag reports. It is a large increase but seems reasonable; it does warrant more investigation. Brian Gilligan explained that from an underwriting perspective, we have to remember they had to use Excellus information, combined with their own premature information. Mr. Lebrun asked Brian to share our concerns with underwriting. Mr. Parks did ask, and Empire has not yet made a change.

There was further discussion regarding IBNR levels needed for Articles 44/47. Kevin Klemm believes it is 15%, and that we're there, or almost there. Mr. Lebrun is interested in knowing the difference in IBNR between Minimum Premium and Article 44/47.

Mr. Parks asked Brian Gilligan to please ask Empire if they would consider recalculating the IBNR after six (6) months, even though the renewal is for one (1) year. Mr. Porter suggested that we possibly revisit Article 44/47 for the prescription drug rebates. Mr. Lebrun agreed and thought maybe Brian should share that with underwriting.

Mr. Osborne left the meeting.

RESOLUTION TO
RAISE EMPIRE

Mr. Porter moved, seconded by Mr. Meyer, to approve the resolution to raise the Empire pooling coverage retention from \$450,000 to \$500,000.

POOLING
COVERAGE
RETENTION TO
\$500,000 FROM
\$450,000

Mr. Lebrun will vote in support of the resolution because it is a recommendation by the Advisory Committee, but he is not in favor of carrying stop loss coverage. Mr. Parks shared that with the change in retention, the cost would go from \$3.7 million for a year, to \$2.3 million.

It was noted that this is a low year for high-cost claims.

All Board Members present voted yes – motion carried.

RESOLUTION TO
AUTHORIZE THE
CHAIRPERSON TO
SIGN THE EMPIRE
BLUECROSS
ANNUAL
RENEWAL
AGREEMENT FOR
CALENDAR YEAR
2021

Mr. Porter moved, seconded by Dr. Davey, to approve the resolution to authorize the Chairperson to sign the Empire BlueCross annual renewal Agreement for calendar year 2021.

Mr. Lebrun feels COVID-19 is part of the reason for our improved financial status, but he does not want to minimize the role that Empire has played, and thanked them.

All Board Members present voted yes – motion carried.

PART D
ADVISORS
DEPENDENT
ELIGIBILITY
AUDIT UPDATE

Mrs. Giroux explained that the audit is up and running. The Consortium Benefit Office has a bi-weekly status call with Part D Advisors, and the process is going very well.

Mr. Parks stated that members with questions about the audit should be directed to Part D Advisors so answers are consistent.

PART D RDS
LOOKBACK
UPDATE

The process is a little behind due to a delay in receiving data from Excellus, but Part D Advisors is still planning on meeting the deadline at the end of March 2021.

Mrs. Ford-Johnston left at 10:46 a.m.

RESOLUTION TO
HAVE THE
CONSORTIUM
FILE (1) ONE
ANNUAL RETIREE
DRUG SUBSIDY
REIMBURSEMENT
APPLICATION
AND TO DIRECT
CVES AND
MEMBER
DISTRICTS'
REIMBURSEMENTS
TO THE CEWW

Mr. Savage moved, seconded by Dr. Davey, to approve the resolution to have the Consortium file one (1) annual retiree drug subsidy reimbursement application and to direct CVES and member districts' reimbursements to the CEWW Health Insurance Consortium beginning with the 2021 RDS application, which is filed on or before February 1, 2021.

Mr. Parks explained that costs incurred are shared via the Consortium, in addition to prescription rebates going to the Consortium. However, we don't behave as a Consortium with regard to the retiree drug subsidy (RDS) reimbursements. The consolidation would increase efficiency, and the revenue to the Consortium would help to hold costs down. Darren Moser from Benetech stated that from his perspective, one point of contact would make the process much easier and more profitable.

Mr. Bell shared a grid of the RDS reimbursement history for 2017-2019. If the RDS

HEALTH
INSURANCE
CONSORTIUM
BEGINNING WITH
THE 2021 RDS
APPLICATION,
WHICH IS FILED
ON OR BEFORE
FEBRUARY 1, 2021

reimbursements do go to the Consortium, a separate line would be created on the financials for transparency.

All Board Members present voted yes – motion carried.

RESOLUTION TO
ADD MS.
SHARLENE
PETRO-DURGAN
TO SUCCEED
BRIAN
TOUSIGNANT ON
THE ADVISORY
COMMITTEE

Mr. Meyer moved, seconded by Mr. Mayberry, to approve the resolution to add Ms. Sharlene Petro-Durgan to succeed Brian Tousignant on the Advisory Committee.

Mr. Lebrun expressed his thanks for Brian’s service on the Committee.

All Board Members present voted yes – motion carried.

RESOLUTION TO
ACCEPT THE
RESIGNATION OF
MR. JONATHAN
PARKS AS THE
CHAIRPERSON OF
THE ADVISORY
COMMITTEE AND
TO ADD MRS.
VICKI GIROUX AS
CHAIRPERSON OF
THE ADVISORY
COMMITTEE

Mr. Mannix moved, seconded by Mr. Porter, to approve the resolution to accept the resignation of Mr. Jonathan Parks as the Chairperson of the Advisory Committee and to add Mrs. Vicki Giroux as Chairperson of the Advisory Committee.

Mr. Lebrun congratulated Mrs. Giroux. Mr. Bell shared a Certificate of Appreciation on his screen for Mr. Parks’ service to the Advisory Committee. Mr. Lebrun acknowledged Mr. Parks leadership through our turbulent and challenging times, and always with class and as a gentleman and a professional. Mr. Lebrun continued, stating that Mr. Parks was a pleasure to work with and offered him congratulations and thanks.

Mr. Parks expressed that he has enjoyed his time on the Committee, and feels comfortable stepping away at this point, with the team and processes that are now in place.

Dr. Davey echoed Mr. Lebrun’s sentiments, and added his thanks to Mr. Parks for leading us through challenges with grace and dignity. Dr. Davey also congratulated Mrs. Giroux.

All Board Members present voted yes – motion carried.

RESOLUTION TO
EXTEND
JONATHAN A
PARKS
CONSULTING
SERVICES, LLC

Mr. Mayberry moved, seconded by Mr. Mannix, to approve the resolution to extend Jonathan A. Parks Consulting Services, LLC (revised) contract until June 2021.

All Board Members present voted yes – motion carried.

(REVISED)
CONTRACT UNTIL
JUNE 2021

RESOLUTION TO
ACCEPT THE
RESIGNATION OF
SUPERINTENDENT
JAY LEBRUN
FROM THE
POSITION OF
CONSORTIUM
CHAIRPERSON OF
THE HEALTH
INSURANCE
CONSORTIUM

Mr. Savage moved, seconded by Mr. Porter, to approve the resolution to accept the resignation of Superintendent Jay Lebrun from the position of Consortium Chairperson of the Health Insurance Consortium effective December 10, 2020.

Mr. Mannix expressed that Mr. Lebrun did a fantastic job as Chairperson, and that's an understatement. He further commented that Mr. Lebrun has moved us farther along in his tenure than the whole time that Mr. Mannix has sat on the Board. He continued to say that he is very grateful for Mr. Lebrun's service, and the Consortium has benefited from his leadership.

Mr. Lebrun stated that this position has been a highlight professionally, and it is very rewarding work.

All Board Members present voted yes, with the exception of Mr. Lebrun, who abstained – motion carried.

RESOLUTION TO
ACCEPT
NOMINATIONS
FOR THE
POSITION OF
CONSORTIUM
CHAIRPERSON

Mr. Meyer moved, seconded by Dr. Davey, to accept nominations for the position of Consortium Chairperson.

The floor was opened for nominations.

Dr. Davey moved, seconded by Mr. Lebrun, to recommend Mr. Daniel Mayberry as Consortium Chairperson to succeed Mr. Jay Lebrun.

There being no other nominations, all Board Members present voted yes, with the exception of Mr. Mayberry, who abstained – motion carried.

Mr. Mayberry thanked the Board and stated that he hopes to live up to Mr. Lebrun's accomplishments.

PUBLIC
COMMENT
SESSION

No comments.

ADJOURNMENT

Mr. Mayberry moved, seconded by Mr. Mannix, to adjourn the meeting at 11:05 a.m. All Board Members present voted yes – motion carried.