



# News Brief 2019.12

**The following is information from the Board of Trustees Meeting held on December 16, 2019 and other sharing points:**

**Presentation:**

Audit Report

The independent auditor's report of the annual Financial Statements was presented by Laura Napoli from Bahgat & Laurito-Bahgat. At the close of the June 30, 2019 fiscal year the Trust realized a positive revenue in net assets. The turn around from the previous years was a 61% increase in assets. The restricted asset is the Charter School escrow account retained at the beginning of the school's joining the Trust.

Current liabilities included the deferred contributions-payments made in the current month for a future month. The Estimated health claims payable, also known as the IBNR (incurred but not reported) updated with the actuarial calculation of \$11,050,634 a 52% reduction from the previous year.

New reporting requirements this year include the heading under Expenses Program Services, Management and General the backup detail is now on a separate report titled *Statement of Functional Expenses*.

The Retiree Drug Subsidy (RDS) is lower due to a Trust process change. It was recommended to move towards an annual process for truer calculations and less adjustments.

The pharmacy rebate was up 25% from the previous year.

Note 10 was discussed of the exiting schools for the 2019-20 fiscal year, as was the exiting of several schools in the 2018-19 fiscal year.

The significant change from a negative \$11 million asset balance in the 2017-18 fiscal year to a positive asset balance of \$8 million in the 2018-19 fiscal year reflects the rates were set appropriately.

The Trust's Chair, James Fregelette, expressed the importance the 5-year plan that was implemented to increase rates over a given period. We are in the 5<sup>th</sup> year of the financial plan and see positive results with the implementation. We thank you the schools that are a part of the Trust as we navigate through the communication, committees, and reports.

Audit Statement can be viewed at: [www.ny44.e1b.org](http://www.ny44.e1b.org)



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## Update of Financial Statements

The current status of the Trust's finances was presented by Alice B. Riley, Fiscal Manager of the Trust. The balance sheet and statement of cash flow were presented. As indicated by the auditor the IBNR was adjusted to the actuarial calculation for 2019-20. The rebates received for the current year is \$3.68 million.

The financial activity report showed enrollment has stayed the same throughout the first 4 months. Reviewing the annual audited numbers against the current and to date numbers shows a continued positive in assets, to date \$3.4 million.

The Claims Revenue vs Expense report does not include the whole book of business and reflects the positive funds of \$4.7 million year to date. The negative months are due to the biweekly and weekly funding requirements. In some months there are three biweekly or five weekly funding obligations for the third-party administrators. (Nova/IH & MVP)

The Annual Superintendent's report was submitted to the NYS Department of Finance on October 18, 2019. The fieldwork for the 2013-2018 audit was completed in September by the Dept of Finance, we have had no communication since that time.

The external audits done by J. Graham, Inc. will be done on an annual basis, the most recent was for Nova/Independent Health and MVP included claims data thru December 2018. Nova/IH findings remain low and represent excellence performance by Nova. MVP had some disputed findings and were given recommendations by J. Graham. He will follow up on the progress during the next audit. There was a limited review done for Pharmacy (PBD) for the 2017-18 period without concerns.

## **Consultant Report**

### **Subcommittee Updates**

#### a. Financial Committee

Medhat Kaldas reported that the per employee/per month cost for the most recent quarter is 8.3% higher than the annual average but is 6.7% lower than last year. Enrollment decreased 16% from November 2018 to October 2019. Rebates are received quarterly.

#### b. Communications Committee

John Kertis reported that the website has been redesigned to make it more user friendly. On December 6, an e-mail went out encouraging members to look at the site and give feedback for any improvements/additions at the annual meeting. Cost savings and other topics will be included for enrollees. Alice Riley will send out a news brief after Board Meetings to all districts. A page will be designed for Benefit Administrators regarding billing to be used as an information source. A WellNow promotional co-branded mailing (refrigerator magnet) will be mailed out shortly and WellNow will split the cost of same with the Trust.



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## c. Population Health Committee

Pamela Krutkiewicz reported that there was only 30% participation by enrollees in the past wellness initiatives. The focus going forward will be on employees' intrinsic drive to develop knowledge regarding the importance of preventive care and building a relationship with their PCP. An employee interest survey was suggested as was a health management communication calendar outlining specific topics (such as American Heart month) and the use of short videos and links on the website.

## d. Innovation Committee

Janet Lukacs reported that the committee will conduct due diligence of current pharmacy benefits manager and audit all contract pricing as well as look into solutions to decrease the cost of specialty drugs.

## e. Benefits Committee

Steve Baltas reported that the committee is looking at dental, ER and urgent care. The committee is focused on promoting dental preventative care exams and creating incentives to plan design for doing so. This will help reduce larger expensive procedures in the future. It was noted that TeleMed is underutilized and can be cumbersome to register in time of need. Districts would be well served to promote members to register while healthy, making usage more convenient in time of need. An urgent care center map by region was suggested to be posted to the website for enrollee use in locating their nearest facility.

## 2020 Committee Meeting Calendar

Janet Lukacs presented a proposed communications calendar outlining monthly calls which districts can participate in starting with Finance in January, Benefits in February, Communications in March and Innovation in April. There would be no calls during May and June due to open enrollment.

### Other Sharing Points:

- A soft launch of the website took place December 6, 2019 please visit the website [www.ny44.e1b.org](http://www.ny44.e1b.org) , we are looking for feedback on your experience.
- Coming soon to our website Frequently Asked Questions from our carriers' Customer Service Department.
- Check your snail mail for a WellNOW mailing. Register now, before you need the service of Telemed.
- Video instructions on "How to Register" for WellNOW on our website.
- A link for the Urgent Care locations is now on the Website