

From the Latest Board of Trustees Meeting

Welcome to the NY44 News Brief for September 2020:

Fiscal Update

On the Treasurer's report *Contribution Revenue vs. Medical/Rx Expenses* paid for the months of July and August offset each other because of the additional fund requirement in August. The funding requirements for each healthcare carrier differs, one is weekly the other is biweekly. This report is a quick reference on evaluating the contribution rate charged with the expense obligation paid to the healthcare carriers administrator for services and claims. The fiscal year position of the Trust is a positive balance of \$645,949 for revenue vs. medical claims expenses.

There is a 5% enrollment decline from July 1 to October 1, 2020. Over half of the changes were terminations, which included two exiting schools during that period.

The total book of business of fiscal activity had a revenue of \$10,450,867 with expenses of \$12,488,159 leaving a deficit of \$2,037,292. Year to date totals are \$23,229,029 revenue and expenses at \$22,428,252 for a total positive revenue of \$800,777.

Morgan Stanley had several investments that matured in August 2020 and were reinvested under the guidance of our new financial advisor John Sartini of Morgan Stanley. Investments are sufficiently liquid to allow funds to be available as needed to meet the obligations of the NY44 Health Benefits Plan Trust. All investments are either obligations of the State of New York or United States Government or obligations for which principal and interest are fully guaranteed by the United State Government.

The Treasurer's reports are attached for your convenience.

Subcommittee Reports

Benefits Subcommittee

An open call with districts was held September 2nd to discuss dental plan evaluation process and another took place on September 17th. We received some helpful feedback from participants to take into consideration as the Committee continues the vendor evaluation process.

The September subcommittee meeting took place on September 16th and the next meeting is slated to take place on Wednesday, October 21st.

Communications Subcommittee

A newly crafted Communications Flow Chart will be circulated to all schools. This newly created flow chart will help the correct information be disseminated through the proper channels and will ensure all members have access to information sent out from The Trust.

The Trust has a new Diversity Statement that's now posted to the Trust website on the [homepage](#).

There are new instructions when making an appointment for a WellNow virtual consultation. An email was circulated with the new instructions and can also be found [here](#) on the Trust website.

Home delivery of your medications can be tracked with email or text updates in the event a prescription delivery is delayed or interrupted, especially during these unprecedented times. This information was added to the Trust website and can be found [here](#).

The Communications Subcommittee Open Forum Meeting will be held on Wednesday, September 30th at 3:00 pm. Invite to follow.

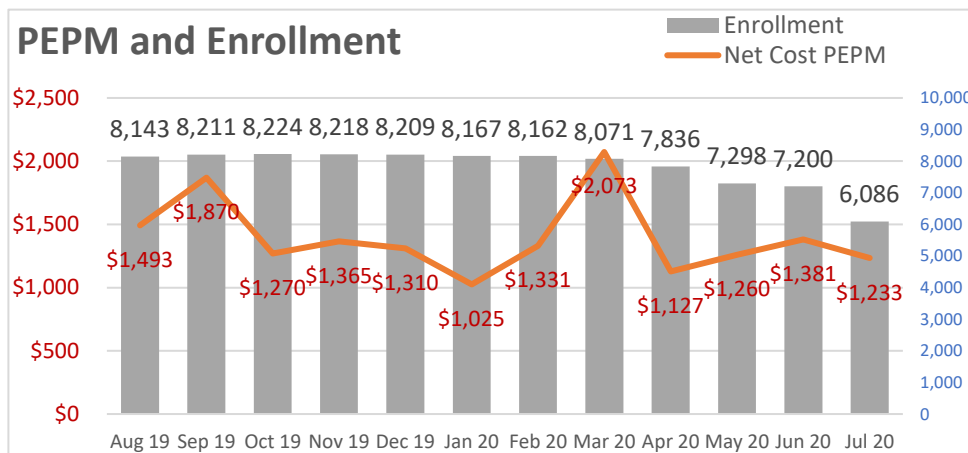
Financial Subcommittee

Utilization performance through July 2020

Most Recent	1 Month	3 Months	12 Months
	July 2020	May 2020 - July 2020	August 2019 - July 2020
	Month	Quarter	Year
	Per Employee Per Month:	Average Per Employee Per Month:	Average Per Employee Per Month:
	\$1,233	\$1,294	\$1,400
	July, 2020	May 2020 - July 2020	August 2019 - July 2020

The 2020 fiscal calendar (July 1, 2020 through June 30, 2021) has started in a confident direction. The average per employee per month was \$1,233 which is 12% lower than the annual average of \$1,400. This figure is normalized to enrollment changes, where we saw a 15% reduction compared to June. The decrease in average costs are mostly derived from Rx rebates. Total costs all

Medical and Rx related charges including claims, stop-loss, TPA (third-party administrator) charges, and all carrier rebates. Those expenses are divided by the number of employees on the plan. Measuring these expenses by enrollment eliminates fluctuations in enrollment throughout the year.



Corona Virus Disease 2019 (COVID-19) effects on utilization patterns have been consistently down since April. The average PEPM from August 2019 to February 2020 is \$1,381, the average PEPM from April 2020 to July 2020 is \$1,250, a reduction of 9%, excluding March due to large claimant activity.

Innovation Subcommittee

The subcommittee continues to work on the prescription drug RFP. Currently conducting presentations with two finalist’s pharmacy benefit managers. The subcommittee agreed that the PBD is still be considered and no decision will be made until all information is presented to the Board. The next steps will be for the subcommittee to prepare a formal summary for the Board to review prior to the next Board meeting.

Population Health Subcommittee

The September monthly newsletter is set to go out by the end of the week, September 18th. Articles included continue to focus on being prepared during a pandemic or any national disaster. Providing resources on behavioral health, with an emphasis on managing stress by creating a morning routine and accepting yourself where you are today. SparkUNPLUG is a great resource to share with your staff: [SparkUNPLUG](#).

Our subcommittee decided to skip September due to back to school and will reconvene on Friday, October 2nd.

Other Sharing

Medicare Reminder:

Please be aware that pursuant to the NY44's Medicare Fact Sheet and the NY44 Summary Plan Description ("SPD"), if a spouse (age 65 or older) of a retired employee fails to obtain both Parts A & B, effective by the date of the employee's retirement, they will be subject to a monthly assessment each and every month until either they obtain both Parts A & B, or the end of the plan year (when they will be terminated), whichever occurs first.

NY44 health coverage requirements are based on the employee's coverage status (Active/Retiree). Retirement at any age of the employee will trigger the need for Medicare Parts A & B of the spouse who is 65 or older. When the retired employee turns 65, they are also required to obtain Medicare Part A & B. Please be sure to share the NY44's Medicare Fact Sheet with employees prior to their retirement. Obtaining Medicare Part A, which has no cost, is recommended for all employees who turn 65 years old.

The enrollment software, bswift, has notifications built into the system to alert benefit administrators when an enrollee is turning 65, please review for the appropriate action and send the Medicare letters provided by the Trust to the enrollee.

For employees who have retired and are no longer on the NY44 health coverage and have Medicare, they can review their Medicare health and drug coverage and make changes from October 15 to December 7, 2020 if it no longer meets their needs, or if they could lower their out-of-pocket costs. If they make a change, the new coverage will begin on January 1, 2021. They do not need to sign up for Medicare each year, but they should still review their options during the October to December period. For more information go to Medicare's website.

(*The Medicare Creditable Coverage letter due 10/15 is in the process of being mailed.)

Sign up for Medication Mail Order Reminders:

Contact the Mail Order company you registered with to receive text and/or email messages regarding your mail order delivery.

Best Regards,

Alice B. Riley, Manager of Finance and Enrollment
NY44 Health Benefits Plan Trust
NY44.e1b.org

Thoughts, comments, feedback? We can be reached at NY44@OswaldCompanies.com

You are receiving the News Brief as an individual who has been identified by your school district as a contact person, either as the Superintendent, Business Official, Union President, or Benefit Administrator.

Periodically email communication will be sent out from the NY44 Trust or from our consultants at Oswald Companies. The communications may include surveys, updates, Board/Annual meetings, or Subcommittee summaries of open forum meetings. We ask that at the district level a process to coordinate the delivery of information to your enrollees is implemented on the best practices you have already developed. Some successful areas used in the past are the internal staff intranet or emailing directly to the enrollee from HR-Benefits, Union Presidents, or depending on the message a mass email to all active and retired employees. The school has available the most current email addresses. We have found that the bswift enrollment system is missing or has not been updated with the current contact information. There will be other communication that will be sent from or on behalf of the NY44 Trust to the enrollees too, such as postcards and newsletters.

The NY44 Health Benefits Plan Trust is a self-funded plan working in partnership with the school districts. As we continue to have the Committee Open forums, we appreciate your participation and ask that you join us. Thank you.

NY44 Health Benefits Trust

Financial Report as of August 2020

	Balance at	
	8/31/2020	6/30/2020
Assets:		
Assets of the Trust are comprised of Cash and Investments and amounts due from other parties (e.g. pharmacy rebates, etc.)		
Cash and Investments	\$ 48,658,311	\$ 49,017,267
Less: cash received in advance	(3,828,764)	(4,990,895)
Net cash	44,829,547	44,026,372
Amounts due from others	-	-
Total Assets	44,829,547	44,026,372

Liabilities:

The only significant liability of the Trust is amounts due to medical providers for services provided. Since medical claims are not always received timely this is an estimate of amounts due.

Accounts and claims payable (estimated)	7,834,559	11,050,634
Total Liabilities	7,834,559	11,050,634

Equity Position:

Taking Trust assets and subtracting liabilities provides the equity position, which may also be termed fund balance, net assets or reserves.

Equity position or (deficit)	36,994,988	32,975,738
Total equity (deficit)	\$ 36,994,988	\$ 32,975,738

Updated IBNR Rec'd Sept, 2020

RECEIVED REBATE REVENUE:

RX Rebates Received in 2020-21

Q-4 2019 Rx Rebate	\$	1,862,910
	\$	-
	\$	-
	\$	-
	\$	1,862,910

Retiree Drug Subsidy Received in 2020-21

	\$	-
	\$	-
	\$	-

Financial Activity for the NY44 Health Benefits Plan Trust

Through August 31, 2020

Board of Trustee's Meeting:

ENROLLMENT	7/1/2020	9/1/2020	Change*
Family	3,000	2,885	(115)
Single	1,902	1,817	(85)
Employee + Children	341	313	(28)
Two Adults	858	765	(93)
Total	6,101	5,780	(321)
Revenue & Disbursements	Time Period 08/31/2020	Year to Date 7/1/2020 - 08/31/2020	Financial Statement Ending 6/30/2020 (Year before)
Revenues			
District Premium Contributions	\$ 10,203,908	\$ 20,714,531	\$ 162,062,705
Trust Admin Fees	\$ 70,908	\$ 143,748	\$ 1,146,385
Interest Income & change in Investment	\$ 22,759	\$ 26,607	\$ 143,761
Pharmacy Rebates & Subsidies	\$ -	\$ 1,862,910	\$ 6,183,962
COBRA	\$ 5,547	\$ 7,262	\$ 157,737
Dental	\$ 116,468	\$ 233,378	\$ 1,288,061
Misc. Other-TPA Internal Audits	\$ 31,277	\$ 240,594	\$ 276,826
Participants' Assessments	\$ -	\$ -	\$ -
Total Revenues	\$ 10,450,867	\$ 23,229,029	\$ 171,259,437
Disbursements			
Medical Claim Payments	\$ 8,261,058	\$ 14,808,443	\$ 96,468,423
Prescription Drug Claim Payments	\$ 3,766,619	\$ 6,645,331	\$ 42,424,669
Dental Claim Payments	\$ 75,394	\$ 119,574	\$ 1,288,061
Claim Administrative fees-TPA	\$ 244,401	\$ 510,365	\$ 3,812,383
Consultants-inclu Stop Loss	\$ 95,547	\$ 177,524	\$ 1,469,613
Administrative/Operation Expenses	\$ 44,776	\$ 120,081	\$ 712,224
Wellness Health Reimbursement	\$ -	\$ -	\$ 116,401
Annual Physical Claims	\$ -	\$ -	\$ 181,400
Other Expenses	\$ 364	\$ 46,933	\$ 77,553
Claims Payable-adj to Actual	\$ -	\$ -	\$ -
Total Expenses	\$ 12,488,159	\$ 22,428,252	\$ 146,550,727
Net Revenues - Disbursements	\$ (2,037,292)	\$ 800,777	\$ 24,708,710
NET ASSETS, at beginning of Year		\$ 24,708,710	\$ 7,993,502
NET ASSETS, at end of year		\$ 25,509,487	\$ 32,702,212

Deposits/Investments

Investments	Other: Reinvestment
Morgan Stanley	\$ 3,855,928
Banking	As of 08/31/2020
M&T Checking & Saving Accounts	\$ 44,689,407
Savings Escrow 6976- Restricted	\$ 111,009.47
Total Cash/Investments	\$48,656,344

NOTES:

*Claims information will be provided on Oswald's Claims Analysis Report

Other Expenses:

PPACA-PCORI July 2020

Insurance Bond Liability

Bank lockbox

NY44 Benefits Plan Trust
Statement of Cash Flow
Contribution Revenue vs. Medical/RX Expenses
Fiscal Year2020-21

	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	
Revenue	\$ 12,584,564	\$ 10,240,732					
Medical/RX EX	\$ 9,426,097	\$ 12,027,677					
NonClaims EX	\$ 389,674	\$ 335,899					
Diff (+/-)	\$ 2,768,793	\$ (2,122,844)	\$ -	\$ -	\$ -	\$ -	
	RX Rebate			RX Rebate			

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	TOTAL
Revenue							\$ 22,825,296
Medical/RX EX							\$ 21,453,775
NonClaims EX							\$ 725,572
Diff (+/-)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 645,949
	RX Rebate			RX Rebate			

* Highlighted months have additional funding requirements - 5 weeks in the month

This is a Quick view report that shows a direct correlation of Contribution revenue and Rebate income against the Medical/RX and NonClaims (TPA admin fees, service vendors, Stop Loss pmts). The report does not include the Administrative revenue or expenses for the Trust operations, nor does it include the Dental revenue or claims associated with it.