

From the Latest Board of Trustees Meeting

Welcome to the NY44 News Brief for November 2020:

Fiscal Update

During the November 19, 2020 Board meeting, Alice Riley presented the following information.

On November 9, 2020, the NYS Annual Superintendent Report was filed with the Department of Finance. This is a required annual state report of the NY44 Health Benefits Plan Trust financials and Board actions throughout the fiscal year submitted no later than November 15th. This year due to the pandemic, the Superintendent Report and supporting documentation was uploaded into the Department of Finance's electronic portal, the hardcopies will be submitted later.

In review of the financial reports (attached), the first report in the Treasurer's packet is the *Balance Sheet* and is a quick snapshot of the end of the month. The Equity Position indicates the health of an organization. The IBNR (Incurred But Not yet Reported) does stay static throughout the fiscal year until the next Reserve Report is completed by our Actuaries. In September, we received the Reserves report and the IBNR figure for this fiscal year. The \$7.8 million figure is a result of fluctuation during the last fiscal quarter due to the pandemic. Realizing the static outcome may not be a completely accurate number, all things considered, it is the lowest possible need of funds. October 2020 Balance Sheet includes the 2019-20 audit adjustments of closing entries and the IBNR for the 2020-21 fiscal year. The Less: Cash Received in Advance are payments made by schools for the next billing month made in a current month.

The *Record of Rx Rebates and Retiree Drug Subsidy* Report shows that the NY44 Trust received a Retiree Drug Subsidy payment of \$403,336.

Next, the *Fiscal Activity Report*:

- Enrollment Information- There are only small fluctuations that occur during the year due to Life Events such as marriage, birth of a child, loss of coverage, etc. The Trust follows the IRS 125 acceptable Life Events.
- Revenue and Disbursements- This view is of the Full Book of Business for the Trust and the accounts are now organized in the same manner as the Annual Audited Financial Statements. The three columns are Revenue and Disbursements recorded monthly, running fiscal to date total, and the year end of the previous year for comparison. The bottom number shows that the monthly and yearly totals are not in a deficit, improving the financial health of the Trust moving forward. Other Expenses listed in the Year to Date section are described in the report under notes.
- Status of the Bank and Investment Accounts- Listed is the Morgan Stanley Investment account. Included in this portion of the report are the M&T bank accounts which include a Pass Thru Account that receives school contributions and rebates for revenue and claims and pays TPA Admin Fees and other claims related expenses. There is also an account for the Operational Costs associated with the Trust and a Dental Account.

The *Statement of Cash Flow Contribution Revenue vs. Medical/Rx Expenses*: This report is strictly Cash Flow of Revenue received against expenses for Medical/Rx Claims. The report is a quick reference on evaluating the contribution rate charged with the expense obligation to pay the third-party administrators for services and claims.

Financial reports are posted on the www.ny44.e1b.org website following the NY44 Trustees' Board meetings.

A little background on the Trust's external claims auditor. Upon recommendation of the Trust's auditors, a firm who deals directly with auditing claims (medical, Rx, dental) was found and contracted during the 2015 year. One of the first findings was that Medicare Part A and Part B for retirees was not shared between the schools and the Trust. Once the lack of communication was recognized, a plan and process was put into place.

Information was also shared about the external claims audit performed by John Graham, Inc. on MVP for the 2019 fiscal year. The John Graham firm takes claims samples for verification that claims are paid appropriately according to the NY44 Health Benefits Plan Trust's Summary Plan Description (SPD).

There were areas of findings in John Graham's report that required further clarification and further information was requested by both Legal Counsel and the Fiscal Agent MVP has been asked to respond to those concerns for further review.

Subcommittee Reports

Benefits Subcommittee

The Benefits Committee has been evaluating the application of emergency room copays to observation hold claims in our population. It has been brought to our attention that many members are confused with regard to the application of copays "originating from an ER visit" and the effect of that copay without a true admission to the hospital. Trends of observation holds are becoming more prevalent and need to be addressed by plan design or focused communications.

We continue to work with the Trust staff and our new administrator, Guardian (effective January 1, 2021), on the dental implementation and mapping of all benefits to provide no disruption in benefit levels. Benefits will match the current plan designs with communicated enhancements like the maximum rollover provision.

The next Benefits Subcommittee meeting will be held in mid-December.

Communications Subcommittee

The Communications Subcommittee has been busy this Fall! Here are a few projects we have recently completed:

- Dental Carrier Transition to Guardian
 - Email announcement to dental plan members
 - Postcard to members with need-to-know information
 - Email announcement to non-plan participants on how to join the plan
- Trust Annual Newsletter (Fall Edition)
- Communications Flow Chart

The newly created [flowchart](#) will help ensure that correct information is disseminated through the proper channels, and will make sure that all members have access to information sent out from The Trust. We encourage you to follow this flowchart, so all necessary, pertinent information is communicated to Trust Plan Members.

Financial Subcommittee

Utilization performance through September 2020

Most Recent	1 Month	3 Months	12 Months
	September 2020	July 2020 - September 2020	October 2019 - September 2020

The 2020 fiscal calendar is averaging \$1,609 Per Enrolled Per Month (PEPM).

Month	Fiscal Year Quarter	Year
Per Employe Per Month: \$1,562 September, 2020	Average Per Employe Per Month: \$1,609 July 2020 - September 2020	Average Per Employe Per Month: \$1,402 October 2019 - September 2020

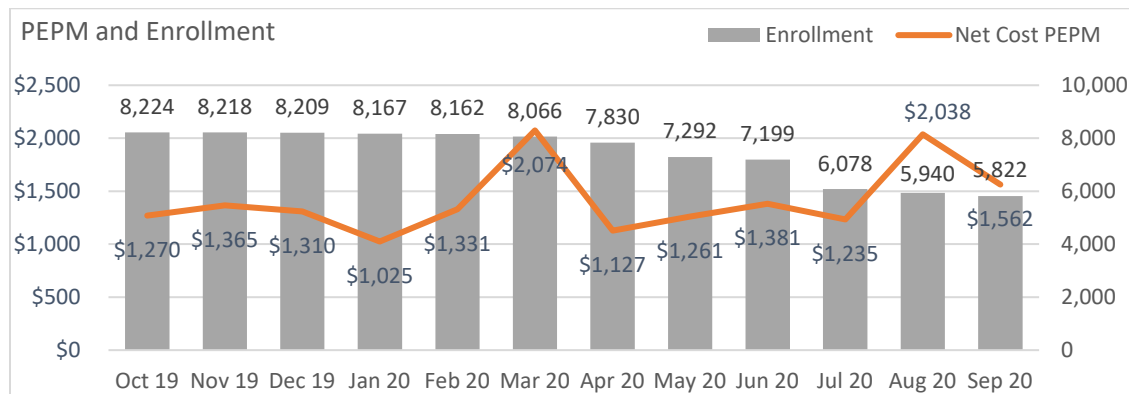
The calculation of PEPM is Total Costs* divided by employees enrolled. The claim liability for exiting districts is the responsibility of the trust.

Referred to as 'Runout,' these

claims are included in July – September, which is divided into lower enrollment figures, largely attributing to the higher PEPM.

The month of September is 2.9% lower than the fiscal year (quarter) and 11% higher than the annual average. Looking back over the past 12 months, the average is \$1,402 PEPM. This figure is normalized to accommodate for enrollment changes, where we saw a 19% reduction since June 30th.

*Total costs include all Medical and Rx related charges, specifically: Claims, Stop-loss Premiums, Third-Party Administration Fees, Rebates, and Taxes.



The exhibit titled 'PEPM and Enrollment' shows utilization (line) with the corresponding enrollment (bar) in that given month. The spikes in utilization from March was for a large claimant and August/September are from a combination of 'Runout' claims against lower enrollment and some once delayed services rescheduled.

Innovation Subcommittee

The Innovation Subcommittee continues to work through the process on the prescription drug RFP (Request for Proposal). Since our last update in October, the subcommittee held two informational open forum sessions for the participating schools on November 12th and November 13th. During the sessions we provided a high-level summary of the RFP process, key indicators of what was reviewed from the RFP responses, such as financial discounts, performance guarantees and services available to the covered members. Also during the sessions, schools were provided with the opportunity to ask questions to which the subcommittee provided answers. At the Executive Meeting of the Trustees on November 19th, the subcommittee provided the feedback from the open forum sessions along with updated financials from the RFP. The Trustees were asked to review and decide on the

pharmacy benefits administrator for July 1, 2021. No decision was formalized at this meeting because the Trustees tasked the committee to provide additional information arising from some questions on the financials presented. Once the final decision is made, communication will be provided to all participating schools and the members.

Population Health Subcommittee

The November monthly wellness newsletter was sent November 10th. Articles included information about World Kindness Day, November 13th, One Minute of Mindfulness and knowing the difference between the flu, common cold and Covid-19. Please remember, [SparkUNPLUG](#) is a great mindfulness resource to share with your staff.

Our Population Health Subcommittee Open Forum took place on October 28th. We had an interactive Q&A with some of the administrators and labor representatives sharing what you would like to hear from us and how we can get you the pertinent information to share with your schools. An important takeaway was to define Population Health. Below is our definition of Population Health:

To provide oversight and direction to the necessary communication efforts targeting the utilization and prevailing health conditions present in our population to drive more cost-effective utilization and condition management.

The team is planning one more meeting this year before we head into 2021.

Best Regards,

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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.