

NY44 Health Benefits Plan Trust Board Meeting

Minutes: Number 112, November 19, 2020

Opening of Meeting 3:10 PM

In attendance: Chair Jim Fregelette, Trustees Elizabeth Freas, Candace Reimer, John Pope, Michelle Okal-Frink, Christa McHale, Bob Giannicchi and Kate Huber. Also attending: Manager of Finance & Enrollment Alice Riley, Darcie Falsioni, Esq., Representatives from Oswald Companies, Steve Baltas, Janet Lukacs, John Kertis, Medhat Kaldas, and Cindi Morris.

Not in Attendance: Vice Chair Donna Walters, Trustee Deborah Piatek

1. Public Comments and Questions

None

A. Presentations/ Informational Items

1. Audit Report

Laura Napoli of Bahgat & Laurito-Bahgat discussed the independent auditor's report, advising that medical and dental claims for the year were down 20% due to the pandemic. An area noted in the report of increased expense was insurance, which was due to stop loss. Ms. Napoli also advised that there was a good cash flow last year. The audit report is available on the NY44 website.

The motion to approve the Audit Report was made by Bob Giannicchi, seconded by John Pope and carried unanimously. **CARRIED (by both Management and Labor Units)**

2. Fiscal Update

Finance and Enrollment Manager, Alice Riley, presented the summary balance sheet and provided an update on revenues and expenses noting that some figures are audited and some are unaudited. These documents are available on the NY44 Health Trust website. Alice reported that the Incurred But Not Yet Reported "IBNR" stays static throughout the fiscal year.

The actuaries completed their Reserve Report in September. The estimated accounts and claims payable for October are \$7.8 million due to fluctuations attributable to the pandemic.

Alice advised that the balance sheet shows a continued favorable equity position through the end of October.

The Trust will receive Rx rebate revenue in November. RDS revenue of \$403,336.67 was received on 9/25/20, and there are currently 2 active applications in play.

The difference in enrollments from 7/1/20 to 12/1/20 is 289 enrollments which should not change throughout the remainder of the 2020-21 plan year with the exception of fluctuations due to life events such as marriage, birth, death, etc. May change in January due to furloughs, layoffs, etc.

The Morgan Stanley investment account had a small gain, and currently the investment account has \$3.8 million.

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The M&T bank accounts include a Pass Thru Account which receives school contributions and rebates for revenue. Claims, TPA Admin Fees, and other claims-related expenses are also paid from these accounts. There are also accounts for operational costs of the Trust and Dental.

The last report shared is strictly Cash Flow of Revenue received against expenses for Medical/Rx Claims. The report is a quick reference for evaluating the contribution rate charged against the expense obligation to pay the third-party administrators for services and claims. The highlighted months contain additional funding requirements as they contain 5 weeks. The end of October positioned the Trust with a positive balance of \$2.5 million for revenue vs. medical claims expenses. The trend of assets to revenue remains strong.

3. Superintendent's Report

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 after being signed by the Trust Chair and Vice-Chair.

4. Independent Audit

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.

B. Consultant Report

1. Subcommittee Updates

a. Financial Committee

Medhat Kaldas reported that in the most recent month PEPM cost was \$1562 which is almost a 3% reduction. PEPM represents claims divided by enrollment and when enrollment decreases, it raises the PEPM. In March, the Trust had a large claim and in August, claims that were being held due to COVID and an IH coding error hit.

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b. Communications Committee

John Kertis reported on the website analytics. There was an uptick with 319 new users. The snapshot shows the enrollees/western region is the most accessed page.

The Communications Committee worked with the Benefits and Innovation Committees on the dental transition to Guardian, which included an email announcement to current dental plan participating schools, a postcard to current dental enrollees and an email to non-participating dental plan schools on how to join the plan.

The Trust annual newsletter will be mailed out soon to all enrollees.

A Communication flow chart was created this year and was shared with the schools in an attempt to help ensure that information being sent to the schools is also being shared with enrollees.

c. Population Health Committee

Cindi Morris reported that an open forum was held on October 28th. A big take away from that meeting was that there were varying perspectives on what population health actually is and that a purpose statement is necessary for clarification. Population Health includes condition management such as diabetes, cholesterol, etc. The Open forum included a real time survey regarding wellness resources and programs and reminded participants of the tools that are currently available such as HR/Wellness Champion OsWell for HR use, Spark Unplug for employees and monthly wellness newsletters. For access to Spark Unplug, employees do not need a user name or password and will have access to information on exercise, mindfulness, stress management, recipes, etc.

The Committee's 2021 vision is to create a cleaner path for communications, define population health, learn what is important to schools and enrollee and enhance population health opportunities.

d. Innovation Committee

Janet Lukacs reported that the RFP for Prescription Drugs was released in June. Finalist presentations were conducted in September and initial findings were shared with the Board of Trustees on October 22nd. Two informational sessions were held this month for participating schools to give feedback and have their questions regarding mail order prescriptions, prior authorization and disruption regarding current formulary drugs answered. There will be another Executive Session with Trustees today following the Board meeting to further discuss the RFP findings.

e. Benefits Committee

Steve Baltas reported that the Benefits Committee is looking at copays for ER observation holds versus actual hospital admissions to determine the number of enrollees that have been impacted and are working with the Finance and Innovations

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Committees on this. The committee continues to work with the other committees and the new dental administrator, Guardian, on implementation of the new dental plan to provide no disruption in benefits.

C. General Trust Business

1. Status of Districts

No changes to current district population.

D. Approval of Minutes

1. Meeting Number 111, October 22, 2020

The motion to approve the minutes from Meeting Number 111, October 22, 2020, was made by Bob Giannicchi, seconded by Liz Freas and carried unanimously. **CARRIED (by both Management and Labor Units)**

E. Old Business

None

F. New Business

1. Approval of Renewal of addendum with BTR

The motion to approve was made by Bob Giannicchi, seconded by John Pope and carried unanimously. **CARRIED (by both Management and Labor Units)**

G. Adjournment

1. Next Board of Trustees' Meeting will be on Thursday, January 21, 2021, at 3 PM

The motion to adjourn at 4:08 PM was made by John Pope, seconded by Candy Reimer and unanimously approved. **CARRIED (by both Management and Labor Units)**

Trustees entered Executive Session at 4:14 PM. Executive Session adjourned at 4:53 p.m.

Respectfully Submitted,

Lora L. Schasel
Secretary to the Board of Trustees