

NY44 Health Benefits Plan Trust Board Meeting

Minutes: Number 118, August 26, 2021

Opening of Meeting 12:38 PM

In attendance: Chair Jim Fregelette, Vice Chair Donna Walters, John Pope, Michelle Okal-Frink, Elizabeth Freas, Deborah Piatek, Bob Giannicchi and David Scalzo. Also attending: Manager of Finance & Enrollment Alice Riley, Darcie Falsioni, Esq., Erik Goergen, Esq. Representatives from Oswald Companies, Steve Baltas, Janet Lukacs, John Kertis, Medhat Kaldas, and Cindi Morris.

Not in Attendance: Trustees Candace Reimer and Christa McHale

1. Public Comments and Questions

None

A. Presentations/ Informational Items

1. Fiscal Update

Alice reported that cash and investments as of 7/31/21 were approximately \$57M and the equity position (assets minus liabilities) for 7/31/21 is approximately \$49M with \$7.8M in liabilities

The Trust received Rx rebate revenue for the 4th quarter of 2020 in the sum of \$1.6M. There will be two more payments coming for the 1st & 2nd quarter of 2021 and then the rebates from PBD will end.

In regard to The Retiree Drug Subsidy (RDS), we will be requesting a payment from RDS shortly for the application for plan year 2020-2021. RDS has applied a 2% reduction to the calculated subsidy amounts for final costs incurred in all plan months prior to 5/1/20 and in all plan months after December 31, 2021. This 2% reduction will be applied to the applications when requesting payment.

Enrollment from 7/1/21 – 9/1/21 declined by 16 enrollees.

The Dental fiscal report indicates a positive balance of \$8.5K.

B. Administrative Report

1. Annual CPA Audit Update

Alice Riley reported Bahgat & Laurito- Bahgat are conducting the audit virtually again this year as all documentation has been saved digitally. The New York State Superintendent's report will be completed after receiving information from Bahgat & Laurito-Bahgat at the conclusion of their audit.

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2. Capital Rx Implementation

Janet Lukacs indicated that she will provide an update as part of her Innovation Committee update below

3. Litigation Update

Erik Goergen Esq. indicated that previously, the east central region filed a lawsuit against the Trust for breach of contract, fiduciary duty, fraud and collusion. He advised that the lawsuit is now concluded, with the Trust winning on all claims in a Decision rendered in February of this year. The Districts then appealed the Order in its entirety; however, the Appellate Division dismissed their Appeal as untimely and the case is now over. All actions taken by the Trust were upheld by the Court as being appropriate. The lawsuit was brought by the east central Districts as a result of the Trustees' decision to divide the Trust into geographic regions and impose a mid-year contribution rate upon the east central region.

C. Consultant Report

1. Subcommittee Updates

a. Financial Committee

Medhat Kaldas, Oswald Companies, reported on utilization. PEPM for June 2021 is 9% higher when compared to the fiscal year. The 3-year utilization average (June 2019, June 2020 & June 2021) is +9%. The claim total ending June 2021 includes a large claimant who exceeded the \$1M claims threshold.

Regarding medical and Rx plan performance, there were 25 claimants since July 2020 who have had claims of \$300K or greater, totaling \$11.48M. There were an additional 25 claimants with claims between \$200K – \$300K, totaling \$6.14M. One member has reached the stop-loss level of \$1M with just over \$1.3M

b. Communications Committee

John Kertis, Oswald Companies, reported on the website analytics. There were many new users, with the Capital Rx page being the most popular. This page is a great resource for employees for information on the pharmacy benefit manager change from PBD to Capital Rx. A fall newsletter was just sent out to all enrollees with the latest Rx transition information as well as subcommittee updates. Quarterly postcards are being planned to be sent to all enrollees starting in September with important reminders Re: 30-day life events, Medicare Parts A & B, etc.

The Subcommittee is evaluating tools and techniques to enhance direct communication with members with a wide range of options being considered including a mobile app, websites, etc.

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c. Population Health Committee

Cindi Morris, Oswald Companies, reported on the new claims Performance Dashboard which is a summary report of relevant district population health data such as demographics, top chronic conditions, top prescription drug utilization, etc. If schools are interested in a report for their district, they can send an email to NY44@oswaldcompanies.com to request one.

Monthly News Brief wellness topics include:

- National Immunization Awareness Month
- Reframing Negative Thoughts
- SMART Health Newsletter

Cindi also provided a reminder that the following resources are available:

- Oswell for HR which has articles, toolkits, fliers, etc.
- Spark UnPlug for employees which has workouts, recipes, stress reduction, etc. and can be found on the Trust website.

d. Innovation Committee

Janet Lukacs, Oswald Companies, reported on the Capital Rx & Payer Matrix Transition. Claims from 7/1/21 were exactly where they were projected to be at almost 500 claims per day

Less than 1% of covered members reached out with concerns. No member went without their medication. Have received a lot of positive feedback re customer service.

The Trust is working with Capital Rx in reviewing some of the current pharmacy claims which are being treated differently due to possible discrepancies with the interpretation of the Trust SPD and the formulary.

Before making the transition, it was known that there was going to be some disruption in formulary and that some members may have to pay a higher co-pay. These affected members will have an opportunity to speak with their Doctor to determine if they can use an alternative drug that is on the Capital Rx formulary. Members will have until November 1st to work with their doctors to determine if there are appropriate alternative drugs at lower co-pays. The schools and members will receive letters before that time. The member letters will be sent directly to their home and will list alternative medications. The member can take the letter to their physician to discuss these alternatives. If their Doctor says that they need to be on the original drug, Capital Rx will review. If approved, the member will stay on that drug and pay the lower co-pay that they are paying today.

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The Payer Matrix program saved \$473K for the plan in claim costs that were eligible for alternative funding. The subcommittee believes the projected yearly savings will be on target at the end of the plan year.

Capital Rx rebates are guaranteed, but we won't realize them until December which will offset some of the costs.

Mail Order through Walmart – the initial file didn't come over timely or complete which caused some initial disruption for members. New York State law does not prohibit Physician Assistants nor Nurse Practitioners from writing scripts. However, Texas law does, and Walmart pharmacy is based out of Texas. This was not realized during the implementation process. Walmart worked diligently to pull claims that were rejected due to this and resubmitted them to the physician, while setting up a practice going forward to determine who writes the script and if a physician name needs to be on the script.

Janet advised that Wegman's vendor was still sending out auto reminder text messages to members to refill their scripts. Wegman's worked with their vendor to have that turned off. A Trustee indicated that it has not been turned off as she just received one yesterday. Janet indicated that they will research this.

Janet indicated that members need to contact Capital Rx directly with any issues and that there has been confusion by members as to who exactly they talked with (Capital Rx or Walmart) due to Capital Rx's automated phone system and number prompts.

Currently, all maintenance drugs have to be filled via mail order. If there is a medically appropriate exception, mandatory mail order can be set aside, and scripts picked up at retail.

The Innovations subcommittee is working on quality and cost transparency tools and upon completion, will present its findings to the Board of Trustees. The concept is to provide members with tools so they can locate quality providers assessed by outcomes and cost effectiveness. The committee is looking at financial rewards to reward members for better shopping. The committee is currently continuing to work on a return-on-investment analysis.

e. Benefits Committee

Steve Baltas, Oswald Companies, reported that the subcommittee continues to investigate more virtual options such as physical therapy to provide increased access and prevention of more serious musculoskeletal risk. In regard to the dental plan, the committee is currently measuring fiscal and member experience, updating the dental SPD and monitoring/reviewing provider discounts and member payment share. Chiropractic utilization and alternatives are still being investigated.

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General Trust Business

1. Status of Districts

No change

D. Approval of Minutes

1. Meeting Number 117, June 24, 2021

The motion to approve the minutes as Amended from Meeting Number 117, held on 6/24/21, 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. Vote on Board Resolutions:

a. Approval of Independent Health Administrative Services Agreement Extension

The motion to approve the Independent Health Administrative Services Agreement Extension was made by Michelle Okal-Frink, seconded by John Pope and carried unanimously. **CARRIED (by both Management and Labor Units)**

b. Approval of David Scalzo as Labor Trustee to replace Kathryn Huber, effective immediately

The motion to approve David Scalzo as Labor Trustee to replace Kathryn Huber effective immediately was made by Liz Freas, seconded by Bob Giannicchi and carried unanimously. **CARRIED (by both Management and Labor Units)**

Adjournment

1. Next Board of Trustees' Meeting will be on Thursday, 10/21/21, at 3 PM

The motion to adjourn at 1:38 PM was made by Debbie Piatek, seconded by Bob Giannicchi and unanimously approved. **CARRIED (by both Management and Labor Units)**

Respectfully Submitted,

Lora L. Schasel
Secretary to the Board of Trustees