

## PROPOSED MINUTES

**LOUISIANA CLERKS OF COURT INSURANCE TRUST  
BOARD OF TRUSTEES MEETING  
DECEMBER 9, 2021  
9:00 AM  
BILOXI, MS**

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, December 9, 2021, at 9:00 am in Biloxi, MS.

The meeting was called to order by President Bridget Hanna. An opening prayer was given by Holli Vining and the Pledge of Allegiance was led by Jeff Skidmore.

**MEMBERS PRESENT:**

President Bridget Hanna  
Robin Hooter  
Rick Arceneaux  
Shane LeBlanc  
Susan Racca  
Holli Vining  
Randy Deshotel  
Jeff Skidmore

Amy Patin  
Dot Lundin  
Debbie Hudnall, Executive Director

**ABSENT:**

Annette Fontana  
Marion Hopkins  
Brian Lestage

**ALSO, PRESENT:** Chelsey Richard Napoleon, Kim Turlich-Vaughan, Johnny Crain, Jr., Andy Anders, Chris Kershaw, Dagmar Hebert, Davis Silk, Kim Breard, Ron LaBorde, Lana Labourdette, and Ryan Hamilton with Gallagher Insurance.

**OATHS OF OFFICE:** President Bridget Hanna administered the oath of office to member Amy Patin.

**APPROVAL OF MINUTES:** A motion was made by Shane LeBlanc to approve the minutes of the meeting August 4, 2021. The motion was seconded by Rick Arceneaux. **MOTION CARRIED.** A motion was made by Rick Arceneaux to approve the minutes of the meeting October 25, 2021. The motion was seconded by Robin Hooter. **MOTION CARRIED.** A motion was made by Shane LeBlanc to approve the minutes of the November 12, 2021, meeting. The motion was seconded by Susan Racca. **MOTION CARRIED.**

**FINANCIALS: (Report on file in office)** Rick Arceneaux presented the financial report as of November 30, 2021.

Balance Sheet		Income Statement	
Total Assets	\$ 6,962,405	Total Revenues	\$ 1,190,232
Total Current Liabilities	\$ 311,146	Total Claims & Admin	(\$1,481,679)
Incurred but Not Reported	\$ 1,014,000	Gross Profit/Loss	(\$ 291,447)
		Total Expenses	\$28,250
		Total Other Income	\$114
		Net Income/Loss	(\$319,583)

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A motion was made by Jeff Skidmore to receive the financial report as presented. The motion was seconded by Randy Deshotel. **MOTION CARRIED.**

**2022 BUDGET PROPOSAL (Exhibit A):** Controller Chris Kershaw presented the proposed budget for 2022. He explained that Gallagher projects Revenues and Claims in preparing the budget. He noted the new line item for Income Rebates as the Board approved receiving RX rebates in lieu of administrative credit with BCBS. He also explained the largest increase in budget claims for RX. The projected budgeted net loss for 2022 is (\$865,462). Also, a decrease in Other Income Interest earned. After discussion, a motion was made by Holli Vining to adopt the 2022 Budget Proposal as presented. The motion was seconded by Robin Hooter. **MOTION CARRIED.**

**GALLAGHER INSURANCE:**

**Medical and Prescription Claims Experience (on file in office):** Ron LaBorde reported on the increase in plan cost citing the rebound of claims from Covid year 2020. Members having the procedures they delayed due to the pandemic or conditions that went unknown in 2020 due to lack of available medical care and have worsened and have been discovered in 2021. He noted that 25% of claims are associated with RX and 75% is medical. With RX costs being such a large amount of claims, the Board had decided for the 2022 plan year to receive the RX rebates in lieu of the administrative credit from BCBS. He stated that no stop loss reimbursements have been received. He also highlighted the plan cost increase from 2018 to 2021 was 24.7% or 9.9% annual average. He explained that typically the plan experiences increased claims in quarter 4 due to members utilizing the plan who have met deductibles and out of pockets for the year. There was an increase in outpatient claims from 2020 to 2021 up 40.9%.

**MEDICAL AND PRESCRIPTION CLAIMS EXPERIENCE – 2019**

	Enrolled	Admin	Stop Loss	Medical	RX	Ineligible	Claims Paid	Plan Cost	PEPM
<b>TOTAL</b>	<b>12,852</b>	<b>\$53,054</b>	<b>\$549,275</b>	<b>\$7,202,270</b>	<b>\$2,610,944</b>	<b>\$755</b>	<b>\$9,812,285</b>	<b>\$10,415,544</b>	<b>\$810</b>

**MEDICAL AND PRESCRIPTION CLAIMS EXPERIENCE – 2020**

	Enrolled	Admin	Stop Loss	Medical	RX	Ineligible	Claims Paid	Plan Cost	PEPM
<b>TOTAL</b>	<b>13,046</b>	<b>\$63,664</b>	<b>\$473,748</b>	<b>\$6,766,873</b>	<b>\$2,753,051</b>		<b>\$ 8,674,315</b>	<b>\$10,057,337</b>	<b>\$771</b>

**MEDICAL AND PRESCRIPTION CLAIMS EXPERIENCE – 2021 (11-month numbers provided)**

	Enrolled	Admin	Stop Loss	Medical	RX	Ineligible	Claims Paid	Plan Cost	PEPM
<b>Jan-Nov</b>	<b>11,975</b>	<b>\$58,678</b>	<b>\$ 439,867</b>	<b>\$8,185,138</b>	<b>\$2,829,699</b>		<b>\$11,014,837</b>	<b>\$11,513,381</b>	<b>\$961</b>

There was discussion regarding the shortages in the nursing field increasing claims costs. President Bridget Hanna inquired as to the expectation for the next year and claims steadily increasing.

Ron noted that 56% of the claims are attributed to the PPO Option 2 plan while 44% are related to the Blue Saver Option 1 plan. Chris noted that it was the opposite in 2019.

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Ron reported that the plan has not yet reached the aggregate stop loss attachment point and expectation is that it will not reach that point. He also reviewed the large claimants with 10 members with just over \$2 million in claims. Ron also reviewed the top 10 drugs that make up 34% of the pharmacy spend. Kim Breard reminded the Board about the gene therapy drugs that have price tags up to \$1 million dollars but also stated that the reinsurance contract has a rider that if one of these drug claims occurred then the plan is protected with a \$10,000 deductible and the reinsurance pays the remainder which will not apply to the corridor.

**Dental Claims Experience (on file in office):** Ron reported that the Dental plan is running at an 89.5% loss ratio with a surplus of \$66,000 YTD 2021. There was no data for 2021 provided.

**DENTAL CLAIMS- 2019**

	Enrolled	Paid Claims	Admin	Plan Cost	Premiums	Loss Ratio	PEPM
<b>TOTAL</b>	<b>16,619</b>	<b>\$606,071</b>	<b>\$45,868</b>	<b>\$651,940</b>	<b>\$733,828</b>	<b>88.8%</b>	<b>\$39.23 avg</b>

**DENTAL CLAIMS- 2020**

	Enrolled	Paid Claims	Admin	Plan Cost	Premiums	Loss Ratio	PEPM
Jan	1,397	\$48,138	\$3,856	\$51,993	\$61,534	84.5%	\$37.22
Feb	1,406	\$45,688	\$3,881	\$49,568	\$61,642	80.4%	\$35.25
Mar	1,413	\$47,053	\$3,900	\$50,952	\$61,986	82.2%	\$36.06
Apr	1,423	\$17,650	\$3,927	\$21,577	\$62,414	34.6%	\$15.16
May	1,434	\$26,342	\$3,958	\$30,300	\$62,832	48.2%	\$21.13
June	1,434	\$47,021	\$3,958	\$50,978	\$62,862	81.1%	\$35.55
July	1,433	\$51,719	\$3,955	\$55,674	\$62,794	88.7%	\$38.85
Aug	1,431	\$47,445	\$3,950	\$51,394	\$62,880	81.7%	\$35.92
Sept	1,431	\$56,041	\$3,950	\$59,991	\$62,796	95.5%	\$41.92
Oct	1,432	\$44,716	\$3,952	\$48,669	\$62,720	77.6%	\$33.99
Nov	<i>Not provided</i>						
Dec	<i>Not provided</i>						
<b>TOTAL</b>	<b>14,234</b>	<b>\$431,812</b>	<b>\$39,286</b>	<b>\$471,098</b>	<b>\$624,460</b>	<b>75.4%</b>	<b>Avg \$33.10</b>

**Life and Disability:** No report given

**Vision:** No report given.

**Renewal Recap:** Ron presented a renewal recap reflecting the 8.4% increase in medical rates, no increases for dental and vision and a decrease of 2.0% for the UHC Medicare Advantage plan. He noted that the Board had adopted the BCBS Managed Formulary; elected to receive pharmacy rebates in lieu of the admin credit; and offer the Ochsner Digital Medicine program.

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There was discussion regarding the lag time before rebates will be received through the weekly claims runs. Ryan Hamilton explained that open enrollment was going smoothly and the final day was December 10<sup>th</sup>.

Rick Arceneaux brought up an issue to Gallagher regarding a specific lab that the vision insurance covers and having to have lenses re done multiple times.

Lana Labourdette informed the Board that the new AFLAC coverage would be rolled out for April 1, 2022. She also provided an update on the text message campaign and that several messages had already been sent out regarding open enrollment. She also informed the Board that a total of 17 parishes that utilize the ACH draft for their monthly invoice payments.

**EXECUTIVE DIRECTOR REPORT:**

**Audit Proposal:** Debbie Hudnall presented to the Board a three-year (2022, 2023, 2024) audit proposal from Hawthorn, Waymouth & Carroll at a rate of \$14,750 for each of the three years. A motion was made by Robin Hooter to approve the audit proposal as presented. The motion was seconded by Jeff Skidmore. **MOTION CARRIED.**

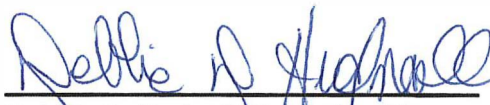
**COMMENTS BY BOARD MEMBERS:** None.

There being no further business, a motion to adjourn was made by Rick Arceneaux and seconded by Shane LeBlanc. **MOTION CARRIED.**

**APPROVED:**

  
Bridget Hanna, President

**Respectfully submitted,**

  
Debbie D. Hudnall, Executive Director

<b>LCCIT</b>		
<b>Budget for 2022 and 2021</b>		
	<b>2021</b>	<b>2022</b>
	<b>Annual</b>	<b>Annual</b>
	<b>Budget</b>	<b>Budget</b>
<b>Revenues</b>		
Income - Medical	11,260,200	12,319,300
Income - Medicare Advantage	766,433	791,300
Income - Life	969,404	1,016,400
Income - Dental	748,944	757,000
Income - Disability	99,275	97,900
Income - Vision	78,115	79,400
Income - Rebates	0	430,056
<b>Total Revenues</b>	<b>13,922,371</b>	<b>15,491,356</b>
<b>Claims and Claims Admin</b>		
Claims - Medical	9,118,321	9,228,792
Claims - Prescription	1,609,116	3,076,264
Claims - Dental	662,306	703,900
Claims - Subrogation	0	0
Stop Loss Premiums	478,508	485,400
IBNR - Medical Exp	0	0
IBNR - Dental Expense	0	0
Claims Adm - Medical	63,386	429,400
Medicare Advantage	766,433	791,300
Claims Adm - Dental - Delta	48,666	53,100
Claims Adm - Vision	78,115	79,400
Premium Exp - Life & AD&D	969,404	1,016,400
Premium Exp - Disability	99,275	97,900
<b>Total Claims and Claims Admin</b>	<b>13,893,530</b>	<b>15,961,856</b>
<b>Gross Profit</b>	<b>28,841</b>	<b>(470,500)</b>
<b>Expenses</b>		
Trust Admin Fees	243,282	241,512
Audit & Tax	14,000	14,750
Bank Fees	2,000	2,000
Bonds & Insurance	15,000	15,000
Legal	5,000	5,000
Meeting Exp	5,500	5,500
Office Supplies	1,000	1,000
Other Prof Fees / Actuary	0	0
PCORI Fee	4,500	4,500
Postage	1,000	1,000
Reimb to Assn	90,000	94,500
Rent - Ret Bldg	10,000	10,200
Travel / Per Diem	4,000	4,000
<b>Total Expenses</b>	<b>395,282</b>	<b>398,962</b>
<b>Other Income</b>		
Interest Earned	50,000	4,000
Net Appr (Depr) on Investments	0	0
<b>Other Income</b>	<b>50,000</b>	<b>4,000</b>
<b>Net Income (Loss)</b>	<b>(316,441)</b>	<b>(865,462)</b>