

APPROVED MINUTES

LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES MEETING AUGUST 4, 2021 9:00 AM BATON ROUGE, LA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Wednesday, August 4, 2021, at 9:00 am in Baton Rouge, LA

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 Rick Arceneaux.

MEMBERS PRESENT:

President Bridget Hanna
Robin Hooter
Rick Arceneaux
Annette Fontana
Susan Racca
Holli Vining
Randy Deshotel

Jeff Skidmore
Brian Lestage
Debbie Hudnall, Executive Director

ABSENT:

Shane LeBlanc
Dot Lundin

ALSO, PRESENT: Chelsey Richard Napoleon, Kim Turlich-Vaughan, Cherie Lott, Angela Clement, Chris Kershaw, Dagmar Hebert, Ron LaBorde, Lana Labourdette, Kelly Layrisson and Ryan Hamilton with Gallagher Insurance and Brittany Thames, Auditor.

OATHS OF OFFICE: President Bridget Hanna administered the oath of office to members Annette Fontana and Holli Vining.

APPROVAL OF MINUTES: A motion was made by Robin Hooter to approve the minutes of the meeting March 31, 2021. The motion was seconded by Jeff Skidmore. **MOTION CARRIED.**

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

June 30, 2021	
Total Assets	\$ 8,013,388
Total Current Liabilities	\$ 1,275,217
Incurred but Not Reported	\$ 1,014,000
Total Revenues	\$ 1,172,666
Total Claims & Admin	(\$1,145,892)
Gross Profit/Loss	\$ 26,744
Total Expenses	(\$ 27,400)
Total Other Income	\$ 260
Net Income/Loss	(\$ 366)

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A motion was made by Brian Lestage to receive the financial report as presented. The motion was seconded by Annette Fontana. **MOTION CARRIED.**

AUDIT REPORT FISCAL YEAR END 2020: Brittany Thames with Hawthorn, Waymouth, & Carroll presented the audit report for the fiscal year ended December 31, 2020. She noted that the Trust received the highest opinion. She noted a decrease in net assets available from \$7.705 million in 2019 versus \$7.692 million in 2020. She further explained the increase in the incurred but not reported (IBNR) claims from \$776,000 in 2019 to \$1,014,000 due to a large claimant claims incurred in 2020 but paid in 2021. The IBNR is prepared by Gallagher's actuaries and is considered reasonable as stated by the auditors. Brittany provided the Board with a letter confirming no internal control weakness and no disagreements with management. She closed her review by thanking the LCCIT staff and Gallagher for their work during the audit.

A motion was made by Rick Arceneaux to accept the audit report as presented for the fiscal year ended December 31, 2020. The motion was seconded by Susan Racca. **MOTION CARRIED.**

GALLAGHER INSURANCE: Ron Laborde with Gallagher provided an update on the timeline for the 2022 renewal. He noted that the claims projection and stop loss reinsurance data is premature as the initial projections are based on immature data. As renewal gets closer, the data is more creditable for those projections. The stop loss projection is typically an early release in September. Open enrollment is normally held in November and Gallagher would like to see that time frame pushed to earlier in November. He noted that there was a two-year rate guarantee with The Hartford and Davis Vision so no changes for the Life/Disability and Vision lines of coverage. He explained that the Retiree coverage with United Healthcare will be up for renewal in 2022. Lana noted a 2% rate decrease for 2022 offered by UHC from current of \$213.61 to \$209.34 for 2022.

Medical and Prescription Claims Experience (on file in office):

Ron continued his report noting an increase in claims in Q1 and Q2 largely driven by large claimants. He also noted that historically the plan sees an increase in claims in Q4. He noted the plan cost per employee per month for the first half of 2021 is \$900.12 as compared to 2020 of \$770.91 and 2019 of \$810.42. Increase in claims may be accounted for because members are having the services they were forced to forgo in 2020 due to COVID. RX claims were not as affected by COVID as opposed to the inpatient claims that saw a decrease to COVID and have now increased in 2021. He noted the claims by member type with Employee claims still the higher as compared to Spouse or dependent members. Ron also stated the HDHP plan is still the more popular plan attributing to 55% of the claims and the PPO plan at 45%. He reported that the stop loss at 81% with no reason for concern at this time.

Ron then reviewed the large claimant list with 8 members in 2021 compared to 10 in 2020 however, the claims are higher. There has been no reimbursement from the stop loss but that

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the Trust has reached the specific deductible of \$200,000 for one member and is at \$145,997 of the \$475,000 corridor.

Ron provided a list of the top RX paid by the plan which account for 36.4% of the pharmacy spend.

MEDICAL AND PRESCRIPTION CLAIMS EXPERIENCE – 2019

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

MEDICAL AND PRESCRIPTION CLAIMS EXPERIENCE – 2020

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

MEDICAL AND PRESCRIPTION CLAIMS EXPERIENCE – 2021 (6-month numbers provided)

	Enrolled	Admin	Stop Loss	Medical	RX	Ineligible	Claims Paid	Plan Cost	PEPM
Jan-June	6,563	\$32,159	\$ 241,094	\$4,245,259	\$1,389,003		\$5,634,262	\$5,907,515	\$900.12

Dental Claims Experience (on file in office): Ron reported that the Dental plan is running at a 92.3% loss ratio with a surplus of \$29,000 YTD 2021. He noted that plan utilization is at 33.1% as compared to the benchmark of 32.9%. There was no claim information for 2021 provided.

DENTAL CLAIMS- 2019

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

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>						
TOTAL	14,234	\$431,812	\$39,286	\$471,098	\$624,460	75.4%	Avg \$33.10

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Life and Disability: Ron reported that there have been 11 basic life claims in the amount of \$797,500 and 1 voluntary life claims in the amount of \$10,000. There have been 4 short term Disability claims filed with 3 approved. No long-term disability claims have been filed.

Vision: No report given.

Gallagher then presented several different options for Board consideration with the upcoming renewal to help curb costs:

- Ochsner Digital Medicine – a program that monitors members with hypertension and diabetes.
- BCBS Formulary – Move to a closed or managed formulary with step therapy, quantity dispensing limits and over the counter exclusions with an estimated \$130,000 in savings. Ron explained that there would be approximately 3.84% or 73 members impacted by this change. BCBS requires a 90-day implementation to provide time for the members affected. A managed formulary protects the plan from new drugs introduced into the market which would be reviewed by BCBS first. Lana Labourdette commented that most of the disruption occurs when the transition first takes place. There was discussion regarding if the plan change was implemented could the Trust revert the next year. Lana commented that yes that could be done but unlikely that you would. Robin Hooter requested a list of the drugs affected by moving to the closed formulary.
- Tiered Network – Blue Connect Network through Ochsner, providing member an enhanced benefit with an estimated 7% or \$100,000 in claims savings. A potential plan design would be a lower deductible/out of pocket for the Blue Connect Tier.
- Surgery Plus Network – specialty carve out surgery network utilizing centers of excellence for orthopedic, spine, joint, bariatric, general surgery and more. Concierge type service with 50% lower reimbursement rates than a typical hospital claim for the same service. An example of an incentive for a member to utilize this network would be to waive the deductible or bariatric surgery only covered using this network not through BCBS.

With the proposed 2022 renewals, Gallagher would also like to offer worksite insurance on a group platform to the participating parishes including Accident, Critical Illness and Hospital Indemnity Plan with leading carriers Aflac and Hartford. Many offices currently offer this at an individual level but could see cost savings on the group platform and consolidated billing with the other lines of coverage offered through Gallagher.

Employee Communication Plan and App: Lana Labourdette introduced Kelly Layrisson to the Board. Kelly will be working with Lana on the employee communication and website. Lana highlighted the personalized “connect 2 my benefits” website that will be for the Trust strictly providing plan information (lccit/benefithub.com). Kelly provided information on the Train by Cell text option that will allow clerks and their employees to opt in to receive monthly texts

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regarding the insurance. The texts can be customized and provide another communication tool aside from emails to pass information along to the members. Debbie Hudnall questioned how specific the texts will be as each parish offers different things to their employees. Lana commented that it can be made more specific. Texts on the administrative level can also be sent to notify Clerks or their designee about open enrollment reminder, surveys, etc.

EXECUTIVE DIRECTOR REPORT:

Gallagher Contract Renewal: Debbie stated that the three-year contract term with Gallagher would be ending December 31, 2021. Gallagher had prepared a proposal for the renewal. Ron thanked the Board for their trust and continued partnership. He explained that Gallagher would like to offer a three-year renewal beginning in 2022 at the current fee of \$290,000 offset by commissions earned in the life/disability products. Gallagher would like to retain the commissions on the worksite products. A motion was made by Jeff Skidmore to accept the contract renewal as presented. The motion was seconded by Holli Vining. **MOTION CARRIED.**

OTHER BUSINESS: Controller Chris Kershaw explained to the Board that the Insurance Fund had prepaid 8 years of rent to the Retirement System when the building was built in 2013. He explained that the reallocation of rent expense would be 10% for the Insurance Fund at \$10,200 annually. This amount was already included in the budget approved by the Board.

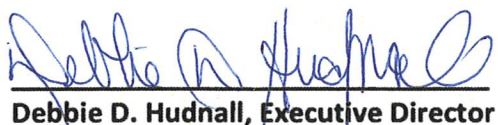
COMMENTS BY BOARD MEMBERS: President Bridget Hanna informed the Board that the Clerks Winter Meetings would be held at the Beau Rivage in Mississippi on December 7-9, 2021, with the Insurance Meeting scheduled for the morning of December 9th.

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

APPROVED:


Bridget Hanna, President

Respectfully submitted,


Debbie D. Hudnall, Executive Director