

PROPOSED MINUTES

LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES MEETING AUGUST 31, 2022 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 31, 2022, at 9:00 am in Baton Rouge, LA.

The meeting was called to order by President Robin Hooter. An opening prayer was given by Connie Desselle and the Pledge of Allegiance was led by Shane LeBlanc.

MEMBERS PRESENT:

President Robin Hooter
Annette Fontana
Shane LeBlanc
Kim Turlich-Vaughan
Holli Vining
Marion Hopkins
Connie Desselle
Jeff Skidmore
Bridget Hanna
Jim Martin
Debbie Hudnall, Executive Director

ABSENT:

Randy Deshotel
Diane Meaux Broussard
Amy Patin

ALSO, PRESENT: Erin Hebert, Cherie Lott, Susan Racca, Randy Briggs, Chelsey Richard Napoleon, Chris Kershaw, Dagmar Hebert, Kim Breard, Lana Labourdette, Richelle Pierre and Ron LaBorde with Gallagher Insurance.

OATHS OF OFFICE: President Robin Hooter administered the Oath of Office to Shane LeBlanc, Marion Hopkins, Kim Turlich-Vaughan, and Jim Martin for the Insurance Board. Shane LeBlanc and Annette Fontana took their oaths for the Supplemental Board.

APPROVAL OF MINUTES: A motion was made by Kim Turlich-Vaughan to approve the minutes of the meeting June 15, 2022. The motion was seconded by Shane LeBlanc. **MOTION CARRIED.**

AUDIT REPORT (on file in office): Brittany Thames with Hawthorn, Waymouth & Carroll presented the audit report for the fiscal year ended December 31, 2021. She noted that the Trust received the highest opinion. She explained a decrease in net assets available from \$7.692 million in 2020 to \$5.945 million in 2021. There was a decrease in investments. She also explained the increase in Health Care benefits paid for participants increased from 2020 to 2021. The Incurred but not reported (IBNR) as calculated by Gallagher's actuaries decreased from \$1.014 million in 2021 to \$800,000 in 2022. Brittany provided the Board with a letter

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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 Bridget Hanna to approve the audit report as presented for the fiscal year ended December 31, 2021. The motion was seconded by Holli Vining. **MOTION CARRIED.**

FINANCIALS: (Report on file in office) Treasurer Rick Arceneaux presented the financial report as of July 31, 2022.

Balance Sheet		Income Statement	
Total Assets	\$ 7,661,470	Total Revenues	\$ 1,422,419
Total Current Liabilities	\$ 1,501,618	Total Claims & Admin	(\$ 1,287,076)
Incurred but Not Reported	\$ 1,069,000	Gross Profit (Loss)	\$ 135,343
		Total Expenses	\$ 41,630
		Total Other Income	\$ 10,326
		Net Income (Loss)	\$ 104,039

Debbie Hudnall explained the IBNR number would be changed since the audit report has been approved.

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

GALLAGHER INSURANCE:

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

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	---	\$9,519,924	\$10,057,337	\$771

MEDICAL AND PRESCRIPTION CLAIMS EXPERIENCE – 2021

	Enrolled	Admin	Stop Loss	Medical	RX	Ineligible	Claims Paid	Plan Cost	PEPM
TOTAL	13,063	\$64,009	\$ 479,947	\$9,079,616	\$3,189,836	---	\$12,269,452 <i>Stop Loss Reimbursement (\$1,591)</i>	\$12,811,817	\$981

MEDICAL AND PRESCRIPTION CLAIMS EXPERIENCE – 2022 (through July 2022)

	Enrolled	Admin	Stop Loss	Medical	RX	RX Rebate	Claims Paid	Plan Cost	PEPM
TOTAL	7,691	\$253,418	\$291,091	\$3,659,726	\$2,043,439	(\$322,484)	\$5,380,681	\$5,925,190	\$770

Ron LaBorde reported that Claims experience for 2022 is much better than 2021 with claims 19% under budget through July 2022. He noted that the RX rebates are far exceeding the conservative budget number. The lag in receiving those rebates from BCBS is 3 months. He also explained that the large claimant spend is down compared to last year. As the last quarter

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of the year approaches, the Trust typically sees an uptick in claims as members have met deductibles and out of pockets. He explained that inpatient claims were lower in 2022 as compared to 2021. Ron then reviewed the claims by plan and will continue to monitor to ensure premiums are in line with the actual cost of each plan option.

He reported the stop loss is at 64% for the current year which is 16% below projection of the Stop Loss underwriters.

He reviewed the top 10 drugs by amount paid which equates to 35% of the total pharmacy spend for the Trust.

Dental Claims Experience (on file in office): The dental plan current loss ratio is 84.1% with a \$72,000 surplus.

DENTAL CLAIMS

	Enrolled	Paid Claims	Admin	Plan Cost	Premiums	Loss Ratio
2020	---	\$537,786	\$47,179	\$584,966	\$749,556	78.0%
2021	---	\$614,374	\$50,298	\$664,672	\$753,944	88.2%
2022 (Jan - July)	---	\$348,079	\$31,345	\$379,424	\$450,976	94.1%

Ancillary Lines of Coverage: No report given.

Vision: No report given.

Renewals: Lana Labourdette reviewed the timeline for the upcoming 2023 renewals. She noted going out to market for the following benefits: Stop Loss, Medicare Advantage Plan, and Vision. Medical, Dental and Life/Disability would remain with the current carriers.

Ron reviewed the favorable claims experience lends to a flat renewal on the medical with no plan changes while the Trust continues to fund the aggregating specific. On the Stop Loss coverage, preliminary quotes were discussed with a potential large claimant laser at \$700,000 and potential for a second large claimant based on recent diagnosis.

Lana reviewed the UHC Medicare Advantage renewal at a 11.63% decrease from the current rate of \$209.34 to \$185 per month.

Ron stated that Gallagher recommends a rate hold for 2023 for the dental coverage with Delta Dental.

Lana went to market on the Vision coverage after all the noise with the previous change to BCBS/Davis Network. She noted a potential quote from The Standard/EyeMed Network at lower rates than BCBS, but haven't yet received the final BCBS renewal proposal. There was discussion regarding disruption.

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A motion was made by Jim Martin to approve the 2023 Renewal for the UHC Medicare Advantage plan at a rate of \$185/month/member and the rate hold for 2023 on the Delta Dental coverage. The motion was seconded by Holli Vining. **MOTION CARRIED.**

Ron reported that once the final stop loss quote is received and the final vision quotes, the Board will need to have a call to finalize those items for 2023.

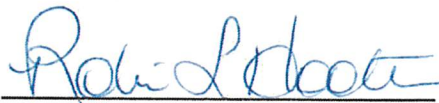
EXECUTIVE DIRECTOR REPORT:

Eligibility: Debbie Hudnall brought to the Board a recent issue regarding eligibility of a retiree on the UHC Advantage plan who had been incarcerated. UHC's policy is to cancel coverage during the term of incarceration but coverage can be reinstated after release. Discussion regarding the precedence that had been set. There was discussion regarding the differences between Active vs. Retiree and the different carriers, BCBS vs UHC. There was also discussion regarding dependent coverage, as well as the law on clerks who are statutorily required to pay 100% of a retiree's coverage with 20+ years of service. A motion was made by Jim Martin to seek legal direction with regard to the continuation of benefits for a retiree who has been convicted of a felony and dependent coverage. Annette Fontana questioned the differences between convicted and incarcerated and whether or not this would apply to all or new hires beginning at a future date. Lana Labourdette suggested reaching out further to Gallagher's compliance/legal time for insight that could be provided to the Attorney. The motion was seconded by Annette Fontana. **MOTION CARRIED.**

COMMENTS BY BOARD MEMBERS: Jim Martin stated that he was excited to serve again on the Board.

There being no further business, a motion to adjourn was made by Bridget Hanna and seconded by Kim Turlich-Vaughan. **MOTION CARRIED.**

APPROVED:



Robin Hooter, President

Respectfully submitted,



Debbie D. Hudnall, Executive Director