

APPROVED MINUTES

LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES MEETING SEPTEMBER 7, 2023 9:00 AM BATON ROUGE, LA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, September 7, 2023, at 9:00 am in Baton Rouge, LA.

The meeting was called to order by President Kim Turlich-Vaughan. An opening prayer was given by Jim Martin and the Pledge of Allegiance was led by Shane LeBlanc.

MEMBERS PRESENT:

President Kim Turlich-Vaughan
Annette Fontana
Shane LeBlanc
Marion Hopkins
Connie Desselle
Shelly Salter
Jim Martin
Robin Hooter
Debbie Hudnall, Executive Director

ABSENT:

Jeff Skidmore
Holli Vining
Bridget Hanna
Lance Marino
Diane Meaux Broussard

ALSO, PRESENT: Erin Hebert, Susan Racca, Cherie Lott, Chris Kershaw, Dagmar Hebert, Kim Breard, Lana Labourdette, Richelle Pierre, Tony Murray, and Magan Babin with Gallagher Insurance.

APPROVAL OF MINUTES: A motion was made by Robin Hooter to approve the minutes of the meeting on June 21, 2023. The motion was seconded by Jim Martin. **MOTION CARRIED.**

AUDIT REPORT: A motion was made by Jim Martin to amend the agenda to include the Audit Report for the fiscal year ended December 31, 2022. The motion was seconded by Robin Hooter. **MOTION CARRIED.**

Brittany Thames with Hawthorn, Waymouth & Carroll presented the audit report for the fiscal year ended December 31, 2022. She reported the Trust received the highest opinion. The Trust is considered well capitalized. There was a 2% decline in medical claims from the previous year. There was an increase in net assets from \$5.945 million in 2021 to \$6.801 million in 2022. The Incurred but not reported (IBNR) as calculated by Gallagher's actuaries increased from \$800,000 in 2021 to \$1.117 million for year ended 2022 due to claim payment patterns. Brittany provided the Board with a letter confirming there was 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.

LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD MEETING – SEPTEMBER 7, 2023
PAGE 2

A motion was made by Jim Martin to approve the audit report as presented for the fiscal year ended December 31, 2022. The motion was seconded by Connie Desselle. **MOTION CARRIED.**

FINANCIALS: (Report on file in office) Treasurer Annette Fontana presented the financial report as of July 2023.

Balance Sheet		Income Statement (Year to date)	
Total Assets	\$ 7,245,024	Total Revenues	\$ 9,314,254
Total Current Liabilities	\$ 441,485	Total Claims & Admin	(\$ 9,279,515)
Incurred but Not Reported	\$ 1,117,000	Gross Profit (Loss)	\$ 34,739
		Total Expenses	\$ 215,431
		Total Other Income	\$ 183,169
		Net Income (Loss)	\$ 2,477

A motion was made by Shane LeBlanc to receive the financial report as presented. The motion was seconded by Shelly Salter. **MOTION CARRIED.**

GALLAGHER INSURANCE:

BCBS/Anthem Acquisition: Kim Breard explained that there had been setbacks on the state level and the public hearing had been delayed and rescheduled for October. She explained that when the mutual document was created in the 1970's it didn't identify self-funded insured as a stockholder and the document was never updated thus explaining why nothing would be paid to the self-funded policy holders. The acquisition is not expected to close by the end of the year and Gallagher doesn't expect any issues for the 2024 plan renewal. There was discussion regarding the possibility of looking into other claims administrators in the future. Kim commented that it would be an appropriate time to possibly do an RFP for a third-party administrator. Jim Martin questioned when the Trust can expect more information on possible changes. Kim explained that until the acquisition goes through information would be limited.

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

Tony Murray provided the summary of the Medical Plan Cost from 2021-2023(to date). The current PEPM is up 4.1% as compared to 2022. Pharmacy claims are up 16.2%. The delay of procedures during COVID pandemic is still trickling down into 2023.

MEDICAL AND PRESCRIPTION CLAIMS EXPERIENCE

	Admin	Stop Loss	Medical	RX	RX Rebate	Claims Paid	Plan Cost	PEPM
2020	\$63,664	\$473,748	\$6,766,873	\$2,753,051	---	\$9,519,924	\$10,057,337	\$771
2021	\$64,009	\$ 479,947	\$9,079,616	\$3,189,836	---	\$12,269,452	\$12,811,817	\$981
						Stop Loss Reimbursement (\$1,591)		
2022	\$432,667	\$497,325	\$7,719,866	\$3,836,572	(\$719,245)	\$11,556,438	\$11,816,772	\$896
						Stop Loss Reimbursement (\$49,587)		
2023 Jan-July	\$267,602	\$323,816	\$4,762,181	\$2,413,871	(\$611,849)	\$7,176,052	\$7,155,621	\$937

LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD MEETING – SEPTEMBER 7, 2023
PAGE 3

Tony reviewed Claims by Plan Type. Debbie Hudnall questioned if the premium amount is in line with the claims cost on each plan. Tony explained that the delineation between both plans and premiums is inline. Kim Breard commented that the actuary could rate both plans separately, however a large claimant could skew the results. Tony reported that Acadia Parish had joined the Trust effective July 1, 2023, with deductible credit given to the new members. The claims loss ratio is 80.9%. The underwriter's expected loss ratio is 80%, so the plan is performing well. Tony reviewed the large claimant list and noted that 17% of the total claims paid are related to the high-cost claimants. This group is not the cost driver of the plan currently.

There was discussion regarding the pharmacy cost and utilization. Humira's biosimilar (generic) was supposed to come off patent in 2023 but now looks to be 2025. There was further discussion on the diabetic drugs now approved for weight loss and the return on investment from the weight reduction perspective is unknown. There is added pressure from the pharmacy benefit managers to put controls in place to limit waste and fraud.

Dental Claims Experience (on file in office): The dental plan current loss ratio is 89.4% with a \$48,000 surplus. There is a potential to increase the out-of-pocket max for the 2024 plan renewal.

Ancillary Lines of Coverage: No report given.

Vision: No report given.

Lana Labourdette introduced Magan Babin as a new member to the Clerks' team.

2024 RENEWALS

Lana reviewed the renewal timeline. The Medical coverage ASO has a rate hold until 01/01/26. Gallagher did go to market on the stop loss coverage and is awaiting responses. The UHC Medicare Advantage plan did receive the renewal at 4% but Gallagher was able to negotiate only a 2% increase. Part D coverage has an enhancement with the elimination of the catastrophic level. She reported that they wouldn't market the dental line of coverage but look at enhancing benefits. The vision coverage remains in a rate hold with The Standard. Lana reported the renewal from The Hartford has not yet been received. Gallagher does propose a similar timeline for the renewal and open enrollment process. Kim reviewed a historical summary of plan rates and changes. She mentioned the possibility of looking at potential plan design changes. Kim stated that a final renewal meeting would need to be held in October to finalize the 2024 renewals. Gallagher will be bringing a possible narrow network (value added) tier proposal to be discussed along with a Copay Assistance program for the PPO option. Gallagher is also researching wellness solutions including biometric screenings and flu shot administration.

EXECUTIVE DIRECTOR REPORT: None

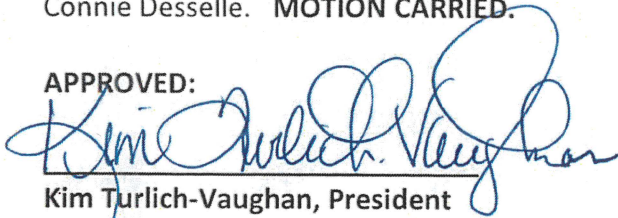
LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD MEETING – SEPTEMBER 7, 2023
PAGE 4

COMMENTS BY BOARD MEMBERS: None

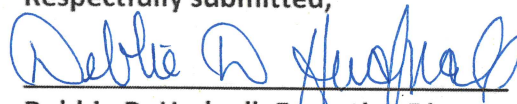
OTHER BUSINESS: Kim stated that the Winter Meetings would be in New Orleans on November 28-30, 2023, as well as the renewal meeting in October with a date to be determined once all proposals are received.

There being no further business, a motion to adjourn was made by Jim Martin and seconded by Connie Desselle. **MOTION CARRIED.**

APPROVED:


Kim Turlich-Vaughan, President

Respectfully submitted,


Debbie D. Hudnall, Executive Director