

PROPOSED MINUTES

**LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING
AUGUST 7, 2024
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 7, 2024, at 9:00 am in Baton Rouge, LA.

The meeting was called to order by Chairman Jeff Skidmore. An opening prayer was given by Randy Briggs followed by the Pledge of Allegiance.

MEMBERS PRESENT:

Chairman Jeff Skidmore
Randy Briggs
Diane Meaux Broussard
Dodi Eubanks
Tifani Thomas
Connie Desselle
Shelly Salter
Bridget Hanna
Jim Martin
Kim Turlich-Vaughan
Debbie Hudnall, Executive Director

ABSENT:

Jill Sessions
Stewart Hughes
Lance Marino

ALSO, PRESENT: Chelsey R. Napoleon, Erin Hebert, Susan Racca, Cherie Lott, Darren Lombard, Chris Kershaw, Dagmar Hebert, Lana Labourdette, Tony Murray, Richelle Pierre, Magan Babin and Charlie Groves with Gallagher Insurance.

OATHS OF OFFICE: Tifani Thomas and Jim Martin both were sworn in as members of the Insurance Board.

APPROVAL OF MINUTES: A motion was made by Kim Turlich-Vaughan to approve the minutes of the meeting on May 21, 2024. The motion was seconded by Randy Briggs. **MOTION CARRIED.**

FINANCIALS: (Report on file in office) Controller Chris Kershaw presented the financial report as of June 30, 2024.

Balance Sheet		Income Statement (Year to date)	
Total Assets	\$6,398,278	Total Revenues	\$ 8,348,573
Total Current Liabilities	\$523,470	Total Claims & Admin	(\$ 8,491,671)
Incurred but Not Reported	\$1,071,000	Gross Profit (Loss)	(\$143,098)
		Total Expenses	\$ 172,697
		Total Other Income	\$ 151,756
		Net Income (Loss)	(\$ 164,039)

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Chris reminded the members that the RX rebates have a three-month reporting lag. A motion was made by Dodi Eubanks to receive the financial report as presented. The motion was seconded by Connie Desselle. **MOTION CARRIED.**

AUDIT REPORT: Brittany Thames with Hawthorn, Waymouth & Carroll presented the audit report for the fiscal year ending December 31, 2023. The Trust received an unmodified opinion which is the highest opinion. Brittany explained the decrease in assets from 2022 to 2023 due to a reduction in the investment portfolio with those funds being used to pay claims. She noted a deferred income item where a parish had duplicated a payment. Total net assets decreased by \$762,218. Deductions increased from the prior year due to an increase in claims of 6%. Brittany commented that the Trust is well capitalized with assets over \$6 million. The Incurred but Not Reported payable would be adjusted down for 2023. She noted that the estimate is based on claim payment patterns and is reasonable based on the lag data examined. Debbie Hudnall questioned at what point would there be concern about not being well capitalized. Brittany explained that there is currently 6 months of expenses in reserves with a concern being if that dropped to a 3-month reserve. A motion was made by Jim Martin to approve the audit report as presented. The motion was seconded by Kim Turlich-Vaughan. **MOTION CARRIED.**

Brittany further explained that since the audit report has been approved the Form 5500 can be signed and released to be filed with the IRS.

GALLAGHER INSURANCE:

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

Tony Murray provided the summary of the Medical Plan Cost from 2021-2024(to date) with the PEPM slightly down since April 2024. He noted the plan is operating to the good for the first 6 months of 2024. He explained that the increase in plan cost in April was not due to the Ochsner claim release negotiations that were mentioned at the last meeting.

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 <i>Stop Loss Reimbursement (\$1,591)</i>	\$12,811,817	\$981
2022	\$432,667	\$497,325	\$7,719,866	\$3,836,572	(\$719,245)	\$11,556,438 <i>Stop Loss Reimbursement (\$49,587)</i>	\$11,816,772	\$896
2023	\$461,407	\$556,551	\$9,105,921	\$3,427,376	(\$1,333,922)	\$13,700,062 <i>Stop Loss Reimbursement (\$6,770)</i>	\$13,377,328	\$1,016
2024 (Jan- June)	\$232,210	\$279,677	\$4,223,145	\$2,362,469	(\$910,404)	\$6,585,614	\$6,187,097	\$934

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Tony presented the claims by member type and there was discussion about including the enrollment numbers for employee, spouse and child. He noted the top 10 drugs that make up 52% of the total pharmacy spend. Lana Labourdette reminded the Board that Gallagher's team had been working on the RFP to carve out the Pharmacy Benefit Manager with review of contracts and the potential savings guarantee and should get back to the Board with their findings in September 2024. Their analysis will show both potential savings and disruption.

Lana explained to the Board that BCBS has been auditing GLP1 prescriptions and providers offices and finding abuse. Some plans have chosen to not to cover these drugs at all. She also commented that the projected trend increase for 2025 is 13.1% in RX and 7.8% for medical.

Dental Claims Experience (on file in office): The dental plan surplus is at \$54,000 with a loss ratio of 86.4% even with the enhanced benefits for 2024.

Ancillary Lines of Coverage: No report given.

Vision: No report given.

2025 Renewals: Lana reviewed the lines of coverage that were sent out to market for the 2025 renewal including Pharmacy, Stop Loss, Medicare Advantage and Vision. She explained to the Board on the issues with the Medicare Advantage and the Inflation Reduction Act with enhanced benefits to the members, carrier's having to be "re-rated" and the effect on premiums.

Debbie Hudnall commented on issues regarding delayed payments of claims by UHC. Lana did explain that UHC has a more regimented claims review process that does take longer.

Lana explained that 6 carriers declined to quote on the vision coverage and Gallagher is still waiting on the renewal from The Standard.

Lana provided a proposed timeline for renewals and reminded the Board about the survey that each Parish Clerk will need to complete.

EXECUTIVE DIRECTOR REPORT: Debbie Hudnall brought to the Board an issue from Acadia Parish. The parish joined the Trust July 1, 2023. There was a member who had medical coverage prior to the parish joining but the member made a mistake on the enrollment form and has just realized that she was no longer covered on the medical plan. The member has asked to enroll in the medical plan. Lana commented that it would be an exception that would need to be granted with BCBS and the stop loss coverage. The parish would have to pay the back premiums to the effective date and Gallagher would recommend an effective date of January 1, 2024. A motion was made by Jim Martin to grant the exception with the effective date of January 1, 2024, upon approval by BCBS. The motion was seconded by Randy Briggs.
MOTION CARRIED.

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Debbie also brought to the Board the reimbursement to the Association. The Association Budget included an increase from the Insurance Trust to \$8,600 per month. The increase would be effective back to July 1, 2024. A motion was made by Diane Meaux Broussard to approve the increase to the Association reimbursement. The motion was seconded by Jim Martin.
MOTION CARRIED.

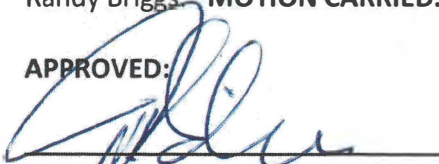
COMMENTS BY BOARD MEMBERS: The next meeting is scheduled for November 20th in Natchitoches.

OTHER BUSINESS: None.

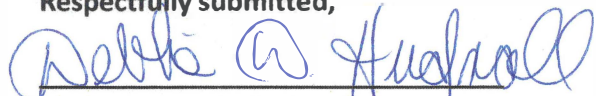
The next meeting date will be November 20th at 1:00 pm.

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

APPROVED:


Jeff Skidmore, Chairman

Respectfully submitted,


Debbie D. Hudnall, Executive Director