

APPROVED MINUTES

LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES MEETING SEPTEMBER 28, 2017 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 28, 2017 in Baton Rouge, LA.

The meeting was called to order by President Rick Arceneaux. Randy Briggs then gave the invocation. Randy Deshotel then led the Pledge of Allegiance.

MEMBERS PRESENT:

President Rick Arceneaux	Mark Graffeo
Steve Andrews	David Dart
Randy Deshotel	Kay Bolding
Johnny Crain, Jr.	
Becky Patin	
Dodi Eubanks	
Connie Couvillon	
Randy Briggs	

ALSO PRESENT:

Debbie Hudnall, Executive Director
Scott Hunt, Hunt Insurance Group
Vickie Whaley, Hunt Insurance Group
Kim Turlich-Vaughan
Dagmar Hebert
Chris Kershaw

OATH OF OFFICE: President Rick Arceneaux administered the oath of office to Dodi Eubanks and Kay Bolding.

APPROVAL OF MINUTES

David Dart moved that the minutes of June 29, 2017 be approved as presented. Motion seconded by Johnny Crain, Jr.. **MOTION CARRIED.**

FINANCIALS: (Report on file in office) Treasurer Randy Deshotel presented the financial reports for the Insurance operations fund for August 2017. Randy reminded the Board that the Insurance Trust is on a calendar year basis.

Aug 2017-	Total Assets:	\$ 382,524
	Monthly Revenue	13,638
	Monthly Expenses	(8,501)
	Monthly Net Income	\$ 5,137

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Debbie pointed out to the new Board members the prepaid rent to the Retirement Fund for the building.

Steve Andrews moved to receive the financial report as presented. Motion seconded by Connie Couvillon. **MOTION CARRIED.**

ADMINISTRATORS' REPORT: (Report on file in office)

Scott Hunt reported on the new staff as well as various position changes at Hunt Insurance Group.

FINANCIALS: Vickie Whaley gave the financial reports for the Insurance Trust for the month of July 2017.

July 2017 Statement of Net Assets

Total Assets	\$ 7,734,717
Total Liabilities	(1,417,360)
Net Assets	\$ 6,317,357

Cash Analysis (as of July 2017)

Annual Funds Received	\$ 8,098,986
Annual Total Expenses	(\$ 7,791,150)
Cash Balance	\$ 3,005,081

Vickie stated that there was a 4.4% increase in net assets from 2016. She informed the Board that the financials and claims do not match dollar for dollar. Financials are presented on an accrual basis, whereas, claim reporting is reported on an incurred and paid basis. She reported a 1% increase in total revenues, a 30% increase in claims and 25% increase in expenses as compared to last year; however, the Trust has still recognized a net increase in assets. Plan is still growing but not at the same rate as previous years. She reminded the Board of the medical premium reduction given for the 2017 plan year.

Debbie Hudnall requested that the revenues and expenses for the disability be a separate line item apart from the life insurance. Hunt reported that 9 parishes including the LCCA office were participating in the disability coverage as of July 1, 2017.

Chris Kershaw questioned the increase in health claims from 2016 to 2017. Vickie reminded the Board that Calcasieu Parish had joined the Trust in April 2017 and increased the participant population by 10%.

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Vickie informed the new Board members on how the LCCIT medical plans are self-funded and how the stop loss (reinsurance) coverage works including the \$180,000 specific deductible and \$475,000 corridor and the aggregate insurance.

Vickie continued stating that the Dental plan is also self-funded, but reinsurance is not purchased for dental as maximum amounts of coverage are in place for each participant.

Investments: Vickie reported the market value of Investments as of July 2017 was \$4.6 million.

DISABILITY UPDATE: Vickie commented that additional Clerks are looking to join this coverage at January 1, 2018. Debbie explained how short term disability should be mandatory after 14 days, with a participant using vacation/sick time for the 14 days. Any remaining vacation/sick days cannot be taken away. Debbie is working on a draft policy to bring to the Association Board. This should be included in office policy manual. Short Term disability is for 90 days and then transitions to long term. This coverage is with The Standard and they carry the waiver of premium for the life insurance premium.

CLAIMS EXPERIENCE: Vickie then reviewed the Claims experience as follows:

CLAIMS EXPERIENCE - 2017

	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 17	\$ 111,867	\$ 460,904	\$ 572,771	\$ 572,771
Feb 17	\$ 103,587	\$ 574,013	\$ 677,600	\$ 1,250,371
Mar 17	\$ 96,940	\$ 756,993	\$ 853,933	\$ 2,104,304
Apr 17	\$ 117,765	\$ 529,716	\$ 647,481	\$ 2,751,785
May 17	\$ 106,958	\$ 726,720	\$ 833,678	\$ 3,585,463
June 17	\$ 99,850	\$ 733,909	\$ 833,759	\$ 4,419,222
July 17	\$ 121,432	\$ 351,422	\$ 472,854	\$ 4,892,076
Aug 17				
Sept 17				
Oct 17				
Nov 17				
Dec 17				

Vickie stated that there were 53% of members enrolled in Option 1 and 35% in Option 2. She stated that the average cost per contract is up 9% from 2016. She commented on the national RX claims increase; however, LCCIT is not experiencing that same increase as generic utilization is at 90%. She reported on in-network and out-of-network utilization. She reported a 6% increase in claims driven by an increase in inpatient utilization which is 25% of the total plan. This number is on trend but not specific to a certain individual. She reviewed the claims cost per employee per month. She also added that one high cost claimant has reached the deductible and has started to accrue to the corridor. There are 8 claimants on the current list which is consistent

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with the prior year. Many of these individuals have chronic conditions and it is likely they will appear on the report in future plan years.

CLAIMS EXPERIENCE - 2016

	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 16	\$ 86,395	\$ 590,919	\$ 677,314	\$ 677,314
Feb 16	\$ 79,006	\$ 298,430	\$ 377,436	\$ 1,054,749
Mar 16	\$ 71,866	\$ 300,450	\$ 372,316	\$ 1,427,065
Apr 16	\$ 85,415	\$ 542,412	\$ 627,827	\$ 2,054,892
May 16	\$ 100,647	\$ 521,600	\$ 622,247	\$ 2,677,139
June 16	\$ 95,592	\$ 480,383	\$ 575,974	\$ 3,253,113
July 16	\$ 97,813	\$ 443,347	\$ 541,160	\$ 3,794,273
Aug 16	\$ 118,729	\$ 817,967	\$ 936,696	\$ 4,730,969
Sept 16	\$ 88,952	\$ 627,783	\$ 716,735	\$ 5,447,704
Oct 16	\$114,047	\$ 564,239	\$ 678,286	\$ 6,125,990
Nov 16	\$124,283	\$ 689,323	\$ 813,606	\$ 6,939,596
Dec 16	\$ 122,193	\$ 950,747	\$ 1,072,940	\$ 8,012,536

Vickie then reviewed the dental loss ratio of 76% as of July 2017 with the YTD loss ratio at 90%. She noted that a premium increase is usually considered after a 70% loss ratio with fully insured plans; however, LCCIT is a self-funded plan.

DENTAL CLAIMS- 2017 (SELF FUNDED AS OF JANUARY 1, 2014)

Date	Lives	Total Claims	Premiums	Delta/Hunt Admin	Reserves	Loss Ratio
Jan 17	1,207	\$36,246	\$53,925	\$3,345 \$2,044	\$12,289	77%
Feb 17	1,200	\$46,612	\$53,905	\$3,329 \$2,037	\$1,927	96%
Mar 17	1,198	\$47,309	\$53,933	\$3,326 \$2,037	\$1,262	98%
Apr 17	1,200	\$40,438	\$53,293	\$3,295 \$2,016	\$7,544	86%
May 17	1,201	\$45,815	\$53,294	\$3,309 \$2,021	\$2,149	96%
June 17	1,200	\$49,159	\$53,309	\$3,309 \$2,022	(\$1,181)	102%
July 17	1,201	\$34,656	\$52,671	\$3,306 \$2,011	\$12,698	76%
Aug 17						
Sept 17						
Oct 17						
Nov 17						
Dec 17						
TOTAL	8,407	\$300,326	\$374,330	\$23,219 \$14,187	\$36,688	90.20% average

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DENTAL CLAIMS- 2016 (SELF FUNDED AS OF JANUARY 1, 2014)

Date	Lives	Total Claims	Premiums	Delta/Hunt Admin	Reserves	Loss Ratio
Jan 16	1,182	\$ 31,365	\$ 52,247	\$ 3,254 \$ 1,985	\$ 15,642	70%
Feb 16	1,179	\$ 35,678	\$ 52,371	\$ 3,260 \$ 1,989	\$11,435	78%
Mar 16	1,178	\$ 49,020	\$ 52,060	\$ 3,265 \$ 1,986	(\$2,211)	104%
Apr 16	1,190	\$ 42,836	\$ 52,001	\$ 3,246 \$ 1,978	\$ 3,941	92%
May 16	1,191	\$ 34,700	\$ 52,528	\$ 3,298 \$ 2,006	\$ 12,524	76%
June 16	1,184	\$ 41,566	\$ 52,669	\$ 3,287 \$ 2,003	\$ 5,812	89%
July 16	1,187	\$ 33,376	\$ 52,087	\$ 3,260 \$ 1,984	\$13,467	74%
Aug 16	1,196	\$ 50,739	\$ 52,088	\$ 3,290 \$ 2,003	(\$3,944)	108%
Sept 16	1,195	\$ 32,910	\$ 53,100	\$ 3,315 \$2,020	\$14,854	72%
Oct 16	1,194	\$ 40,403	\$ 53,101	\$ 3,304 \$ 2,012	\$7,382	86%
Nov 16	1,199	\$ 41,258	\$ 52,430	\$ 3,279 \$ 1,997	\$5,896	89%
Dec 16	1,200	\$ 39,804	\$52,431	\$ 3,318 \$2,019	\$7,290	86%
TOTAL	14,270	\$473,664	\$629,110	\$ 39,374 \$ 23,983	\$92,088	85.36%

LIFE INSURANCE: 01/01/17 – 08/31/17

Earned Premium	\$ 632,909
Paid Claims	930,000
Change in IBNR	2,087
Change in Reported Reserves	
Total Incurred Claims	932,087
Total Expense & Risk Charges	133,800
BALANCE	(\$432,978)

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Date	Lives	Premium	Claims	Hunt Adm	Total Loss Ratio
Jan 17	923	\$ 7,030	\$ 1,760	\$ 781	36.15%
Feb 17	925	\$ 6,975	\$ 7,238	\$ 775	114.89%
Mar 17	917	\$ 6,993	\$ 3,138	\$ 777	55.99%
Apr 17	915	\$ 7,723	\$ 4,390	\$ 773	66.85%
May 17	918	\$ 7,669	\$ 4,226	\$ 767	65.11%
June 17	918	\$ 7,725	\$ 4,885	\$ 773	73.24%
July 17	919	\$ 7,653	\$ 5,461	\$ 766	81.36%
Aug 17					
Sept 17					
Oct 17					
Nov 17					
Dec 17					
TOTAL	6,435	\$ 51,767	\$ 31,098	\$ 5,413	70.53%

VISION INSURANCE - 2016

Date	Lives	Premium	Claims	Hunt Adm	Total Loss Ratio
Jan 16	892	\$ 6,415	\$ 2,972	\$ 714	57.45%
Feb 16	890	\$ 6,358	\$ 6,373	\$ 710	111.41%
Mar 16	890	\$ 6,358	\$ 4,462	\$ 707	81.30%
Apr 16	902	\$ 6,389	\$ 2,816	\$ 711	55.20%
May 16	902	\$ 6,447	\$ 5,802	\$ 717	101.12%
June 16	898	\$ 6,439	\$ 3,617	\$ 716	67.30%
July 16	898	\$ 6,361	\$ 4,024	\$ 708	74.38%
Aug 16	907	\$ 6,405	\$ 5,584	\$ 713	98.31%
Sept 16	904	\$ 6,430	\$ 4,087	\$ 720	74.76%
Oct 16	907	\$ 6,425	\$ 5,006	\$ 715	89.04%
Nov 16	909	\$ 6,438	\$ 4,671	\$ 716	83.68%
Dec 16	913	\$ 6,433	\$ 3,424	\$ 716	64.35%
TOTAL	10,812	\$ 76,898	\$ 52,838	\$ 8,563	79.85%

RENEWALS:

VISION: Hunt Insurance Group recommends a rate hold on vision for the 2018 plan year with no benefit design changes. Vickie reminded the Board that there had been a 6% increase for 2017. A motion was made by Randy Deshotel to accept the rate hold recommendation by Hunt Insurance Group for the Vision. Motion seconded by Dodi Eubanks. **MOTION CARRIED.**

DENTAL: Vickie reviewed the projected claims for 2018 to be \$568,000. At the current billed rates, Hunt projects at 7% increase in reserves. The actuary recommended a 7% rate increase. Hunt Insurance recommends a rate hold for the 2018 plan year on the Dental coverage with rate holds on both the Delta Dental fee and Hunt administrative fee. A motion was made by Randy Deshotel to accept the rate

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hold recommendation by Hunt Insurance Group for the Dental. Motion was seconded by Connie Couvillon. **MOTION CARRIED.**

LIFE INSURANCE: Vickie presented that Standard had a rate increase for 2018, so at the direction of the Board during pre-renewals, Hunt had gone to market for additional quotes on the life insurance. These additional quotes will be presented during the follow-up renewal conference call. She provided the Standard's renewal proposal with passing rates on all product lines except the basic life. They offered a one year rate guarantee with a 10% increase or a 2 year rate guarantee with a 15% increase. Vickie provided the following percentages enrolled in the life coverage: 38% over the age of 60 and 16% over the age of 70. She also stated that Standard's manual rating projected a larger increase than what they proposed. Hunt recommended that the life insurance renewal be tabled until the remaining quotes are received. Mark Graffeo asked Hunt's opinion on the one year or two year rates offered by Standard. Vickie suggests the two year rate hold to guarantee the same increase for the second year. A motion was made by Randy Deshotel to table the life renewal. Motion was seconded by Mark Graffeo. **MOTION CARRIED.**

MEDICARE SUPPLEMENT:

Vickie reminded the Board that the Medicare Supplement is a Plan F currently with AARP backed by United Health Care (UHC). The rates are filed by the carrier to Medicare on an annual basis. These rates are individual based on age, location and smoker/non-smoker and are eligible for discounts. Vickie stated that the average rate for 2017 was \$198.30 and that the average renewal rate for 2018 was \$197.49. She stated that not every retiree would receive a reduction but that on average will be lower. Debbie questioned the use of an average rate renewal and the renewal rate average decrease.

Vickie stated that when LCCIT moved to UHC in 2011, UHC paid an override commission to Hunt Insurance. Starting in 2018, UHC will no longer pay override commissions, however, it is not reducing premiums either. Hunt is requesting the Board consider a \$5 per month per retiree fee for administration. Vickie stated that the proposed \$5 fee is less than the amount they currently receive from UHC.

She further stated that Hunt is looking into whether or not Blue Cross Blue Shield offers a Medicare Supplement. She updated the Board that Plan F would no longer be offered in 2020, however those with a current Plan F will be grandfathered.

PART D (Rx Coverage):

Vickie reminded the Board that for the 2017 plan year the Board had voted to cover the increase in the Part D premium for all the retirees. She further explained that the Affordable Care Act (ACA) is requiring a Health Insurer Fee(HIF) of \$6.56 per participant. There is talk about this fee being suspended in 2018, but Hunt recommends including this fee when discussing renewal rates. She stated that the

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current rate for 2017 of \$175.85 includes the HIF. AETNA has provided a renewal rate for the same as current for 2018 is \$190 including the HIF. The Part D coverage currently in place is a very rich plan with an open formulary, pharmacy network and donut hole coverage. She reminded the Board that for 2017 the option to close the formulary was considered and determine to be not worth the projected impact to the members and the Board even covered the premium increase for the retirees.

For 2018, AETNA's renewal rate for a closed formulary and limited pharmacy network (which would negatively impact 80 members) is very competitive with a \$25 rate reduction for a premium cost of \$164.21.

Debbie questioned if Hunt had gone to market for other quotes as the AETNA quotes were all projected at an increase. Debbie asked them to provide additional quotes for the 2018 Part D renewal.

Hunt recommends tabling both the Medicare Supplement and Part D coverage renewals in order to receive additional quotes and a network list of pharmacies included in the limited network. A motion was made by Steve Andrews to table the discussion at this time. Motion was seconded by Johnny Crain, Jr.. **MOTION CARRIED.**

HEALTH INSURANCE:

Vickie provided a report detailing the current year projections through the end of 2017. She also provided projected rates for 2018 with quotes from Symetra on the reinsurance and Blue Cross Blue Shield.

Blue Cross Blue Shield is providing a reduction of \$11 in the administrative fee to be more competitive and Hunt proposes maintaining their administrative fee at \$16.

Symetra has provided a 5% increase with the same deductible and corridor. However, Symetra appears to be aggressive estimating the expected claims for 2018. Their projected claims are \$9,807,436. There is a projected loss of \$569,395 with Symetra's renewal.

Blue Cross Blue Shield has also offered a quote on the reinsurance which includes an additional \$3 reduction in the BCBS administrative fee. However, the contract type is 24/12 versus Symetra's PAID contract. BCBS' projected claims for 2018 at \$9,039,059 are lower than Symetra's. Vickie commented that it is rare that a claim could fall outside of the 24/12 but wants the Board to be aware of all the risks. There is a projected surplus of \$268,860 with the quote from BCBS.

Vickie further reviewed a comparison of the premium rates charged for each tier (Employee, EE+spouse, EE+Child(ren), Family) and the actual cost of the tier.

She also reviewed the premiums and benefits of Option 1 and Option 2. There was less than a 3% spread between claims and the premium differential. Hunt recommends plan

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design changes to increase the spread between the two plans to account for the premium differential.

Vickie presented Hunt's recommended plan design changes:

Option 1: Change the In-Network and Out-of-Network Out of pocket max to \$5,000/\$10,000. Change the Co-Insurance on Out-of-Network only to 50%. No premium changes.

Option 2: Change the In-Network deductible to \$750/\$2,000 and the Out-of-Network deductible to \$3,000/\$6,000. Change Office Visit-Family Physician to \$30 and Specialist to \$50. Premium decrease.

After discussion regarding the plan design changes, Randy Deshotel moved to accept the plan design changes for Option 1 with no premium changes and the plan design changes for Option 2 with a premium decrease and to approve the BCBS Administrative Fee. Motion was seconded by Connie Couvillon. **MOTION CARRIED.** Hunt will prepare the necessary information for the conference call regarding the reinsurance.

Vickie then presented required regulation changes and recommended changes from BCBS.

(1) Opioid Drugs – maximum 7 day supply – required change – mandated by legislation.

(2) IRS limits for HSA are changing but plan remains compliant. Hunt will send email about contributions.

(3) Preventative Services expansion to include breast feeding services, pumps, generic statin low dose covered at 100%, brand contraceptives with generic alternatives will not be covered at 100%. This is required change.

(4) Out-of-Network Telemedicine services – Hunt recommends that the plan not cover these services. A motion was made by Connie Couvillon to not cover out-of-network telemedicine services. Motion was seconded by Mark Graffeo.

MOTION CARRIED.

(5) Closed formulary with limited Pharmacies – BCBS is offering this to self-insured plans. Impacts 85 members. Hunt would not recommend this change and would recommend continuing with an open formulary. A motion was made by Johnny Crain, Jr. to continue with the open formulary. Motion was seconded by Randy Briggs. **MOTION CARRIED.**

SMART SHOPPER PROGRAM: Vickie presented a flyer to the Board regarding this new program offered by BCBS, which allows members to cost compare services with different providers. She provided a flyer to the Board and Hunt will be sending this flyer out to all the members to educate them on this service.

A conference call to finalize renewals will take place on October 16, 2017 at 2:00 pm.

ATTORNEY: There was no report at this time.

EXECUTIVE DIRECTOR REPORT

COBRA: Debbie brought to the Board's attention the need to timely enter terminations into Benefit Solver. She explained an incident where a divorce was not timely entered and the affect it had on issuing timely COBRA notices as required by law. She asked Hunt Insurance for quotes on administering COBRA and received one proposal, but after further review and discussion with staff, the LCCA staff will continue the administration of COBRA.

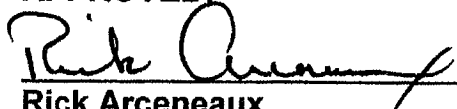
COMMENTS BY BOARD MEMBERS: None

OTHER BUSINESS: None

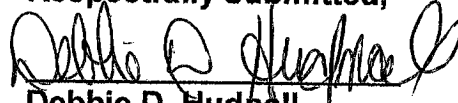
There being no further business, Randy Deshotel moved that the meeting be adjourned. Motion seconded by David Dart. **MOTION CARRIED.**

Meeting adjourned.

APPROVED:


Rick Arceneaux
President

Respectfully submitted,


Debbie D. Hudhall
Executive Director