

## APPROVED MINUTES

### LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES MEETING

JUNE 29, 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, June 29, 2017 in Baton Rouge, LA.

The meeting was called to order by President David Dart. Randy Deshotel then gave the invocation. Johnny Crain, Jr. then led the Pledge of Allegiance.

#### MEMBERS PRESENT:

President David Dart  
Rick Arceneaux  
Robin Hooter  
Johnny Crain, Jr.  
Lance Marino  
Becky Patin  
Randy Deshotel  
Holli Vining

Mark Graffeo  
Kay Bolding

#### ALSO PRESENT:

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

#### APPROVAL OF MINUTES

Rick Arceneaux moved that the minutes of March 9, 2017 and the conference calls on May 19, 2017 and June 15, 2017 be approved as presented. Motion seconded by Lance Marino. **MOTION CARRIED.**

**FINANCIALS: (Report on file in office)** Treasurer Robin Hooter presented the financial reports for the Insurance operations fund for May 2017.

<b>May 2017-</b>	Total Assets:	\$ 392,403
	Monthly Revenue	10,413
	Monthly Expenses	( 9,759)
	Monthly Net Income	\$ 653

Holli Vining moved to receive the financial report as presented. Motion seconded by Johnny Crain, Jr. **MOTION CARRIED.**

## **LA CLERKS OF COURT INSURANCE TRUST**

**June 29, 2017**

**PAGE 2**

### **ADMINISTRATORS' REPORT: (Report on file in office)**

**Actuary Report (on file in office):** Vickie Whaley presented the Actuary report compiled by L& E Actuaries for the Trust. This report is a conservative valuation of the plan and helps to determine if the plan is properly funded including reserves necessary to support the plan into the next year. The actuary projects a negative cash flow at the end of the plan year and projects a 7.75% increase for 2018 and a 4.75% increase for 2019. Vickie commented that the estimated claim trend is 6.5% increase in medical. Debbie Hudnall pointed out that this report only includes 3 months experience from this current claim year of 2017 and that in 2016 Calcasieu parish was added to the Trust. A motion was made by Rick Arceneaux to approve the Actuary report as presented. Motion seconded by Randy Deshotel. **MOTION CARRIED.**

**Appeal:** Vickie explained that the remaining claim appeal for the Board to decide on dealt with a claim filed for treatment at an out-of-network hospital. Blue Cross Blue Shield had paid the claim according to the plan design. Hunt reached out to the doctor who had selected the hospital for the treatment even though there was access available at an in-network facility. Hunt was told that the provider had an agreement with the out-of-network facility that the hospital would attempt to retrieve additional funds from the Trust but if unsuccessful, then there would be no balance billing to the member. Hunt asked if this agreement could be provided in writing but it was not provided and there was no answer as to why the doctor chose this particular facility. Hunt Insurance Group recommends that the Board deny this appeal. A motion was made by Lance Marino to uphold the denial of the appeal. Motion was seconded by Mark Graffeo. **MOTION CARRIED.**

**AUDIT REPORT (on file in office):** Russell Perkins with Thomas, Howell, Ferguson presented the draft audit report for the year ended December 31, 2016. He commented on the relationship and communication improvements with Hunt Insurance Group. There were no significant accounting aspects that affected the financial statements. He commented on the significant increase in net assets available and the strong financial position of the fund as of December 31, 2016. He stated that the Fund is well managed from an Auditor's perspective. He also stated that the Form 5500 should be available for review by the following week. He further reported that IBNR (Incurred but not reported) number is taken directly from the Actuary report and increased by \$230,000 from 2015 to 2016 and is considered to be a reasonable number. The reserve is more than ample to cover the increase in IBNR. The organization is financially solvent. Russell commented on the tax status and whether a private letter ruling was necessary. The process is expensive. Debbie Hudnall questioned as to whether there would be a time if the surplus reached a certain level that a change would be required. Thomas, Howell, Ferguson does not believe there is any need to request the private letter ruling from the IRS. He reported that the Trust received an unqualified opinion, which is a clean opinion with no written audit findings. He reported on the compliance with bond maturities, bringing it back into compliance with an investment policy.

## LA CLERKS OF COURT INSURANCE TRUST

June 29, 2017

PAGE 3

Mark Graffeo questioned if the Board could approve the DRAFT audit report as presented. Chris Kershaw stated that there would be no changes to the financial statements as presented except for the addition of the date on page 10 as the Board meeting date. A motion was made by Holli Vining to approve the audit report as presented for the fiscal year ended December 31, 2016. Motion was seconded by Becky Patin. **MOTION CARRIED.**

**DISABILITY UPDATE:** Vickie provided an update on the implementation of the short and long term disability offered through the Trust as of July 1, 2017. She provided the numbers on the participation as of July 1 and reminded the Board that it a parish waived enrollment at this time, they could enroll at the next open enrollment for the 2018 plan year. There was discussion regarding the tax affect on employer versus employee paid premiums.

**FINANCIALS:** Vickie gave the financial reports for the Insurance Trust for the month of April 2017.

### April 2017 Statement of Net Assets

Total Assets	\$ 7,211,906
Total Liabilities	( 825,195)
Net Assets	\$ 6,386,711

### Cash Analysis (as of April 2017)

Annual Funds Received	\$ 4,572,942
Annual Total Expenses	(\$ 4,749,159)
Cash Balance	\$ 2,521,029

Vickie stated that RX claims decreased in comparison to the same period in the previous year, which is not in line with trend. She commented on the expense of the health screenings and an increase in claims for 2017.

**Investments:** Vickie reported the market value of Investments as of April 20, 2017 was \$4,637,914. Chris commented on the interest rates and the hope for better interest rates in the future. Debbie stated that Chris handles these investments in house.

Vickie reviewed that as of May 2017 there were 3 high cost claimants added to the list of potential specific claimants.

*(space left intentionally blank)*

**LA CLERKS OF COURT INSURANCE TRUST**  
**June 29, 2017**  
**PAGE 4**

**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				
June 17				
July 17				
Aug 17				
Sept 17				
Oct 17				
Nov 17				
Dec 17				

**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 reported on the increase in CBORA utilization in 2017. She also reported a 90% utilization in generic RX.

The dental loss ratio was 89% so far in 2017. It is a manageable loss ratio and there was an increase in reserves. Hunt Insurance Group projects no rate increase and that recommendation is supported by the Actuary. Hunt did meet with Delta Dental in regards to a large utilization of out-of-network providers. Delta will be providing education materials and their ability to contract with providers to bring them in network.

# LA CLERKS OF COURT INSURANCE TRUST

June 29, 2017

PAGE 5

## 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						
June 17						
July 17						
Aug 17						
Sept 17						
Oct 17						
Nov 17						
Dec 17						
<b>TOTAL</b>	<b>4,805</b>	<b>\$170,605</b>	<b>\$215,056</b>	<b>\$13,294 \$8,134</b>	<b>\$23,022</b>	<b>89.29%</b>

## 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%
<b>TOTAL</b>	<b>14,270</b>	<b>\$473,664</b>	<b>\$629,110</b>	<b>\$ 39,374 \$ 23,983</b>	<b>\$92,088</b>	<b>85.36%</b>

## LA CLERKS OF COURT INSURANCE TRUST

June 29, 2017

PAGE 6

**LIFE INSURANCE:** There was no life report provided by the Standard however Vickie reported a 156% loss ratio and is not certain on the affect that will have going into renewals. There had been a recent increase in the life premium but also several years with passing rates. The introduction of the disability coverage through Standard may possibly lessen the chance of a rate increase in the life insurance premium.

### VISION INSURANCE - 2017

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					
June 17					
July 17					
Aug 17					
Sept 17					
Oct 17					
Nov 17					
Dec 17					
<b>TOTAL</b>	<b>3,680</b>	<b>\$ 28,721</b>	<b>\$ 16,526</b>	<b>\$ 3,107</b>	<b>68.36%</b>

### 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%
<b>TOTAL</b>	<b>10,812</b>	<b>\$ 76,898</b>	<b>\$ 52,838</b>	<b>\$ 8,563</b>	<b>79.85%</b>

Johnny Crain commented on an issue with inpatient claims and a particular medical device not being covered. Vickie stated that Blue Cross case management does review claims and provides recommendations on coverages/services to expand and perhaps the technology associated with the device has not been thoroughly tested yet to provide a recommendation.

## **LA CLERKS OF COURT INSURANCE TRUST**

**June 29, 2017**

**PAGE 7**

**Health Fair Screenings:** Vickie reported that there was a decrease in the number of participants and had received feedback from Clerks that there was not enough lead time or notification prior to the event taking place to make staffing arrangements. Vickie suggested that in the future it may be necessary to look at different approaches to providing this testing. The participation rate was 43%, which was the lowest compared to 2012 and 2014. She then reviewed the screening results and the findings. Randy Deshotel requested to see reports on cholesterol, blood pressure and blood glucose. Vickie stated she would request additional screening results. Robin Hooter and Johnny Crain reported on issue with test results and false positives. There was further discussion on how to provide the testing in a different way. There were 479 participants with at least three parishes not participating. It was discussed to make the testing mandatory in the future and apply a penalty for those who don't participate.

**Stewardship Report:** Vickie presented the Stewardship report from Hunt Insurance Group which provides information on Hunt and the services provided to the Trust.

**Renewals:** Vickie reviewed the Actuary's prediction of a loss this year and the recommendation of a 7.75% increase for the next plan year. She feels the projection is aggressive and could possibly recommend a rate hold for 2018 or perhaps smaller increases in 2018 or 2019. Debbie commented on the possibility of the Trust taking on more risk by increasing the stop loss and corridor. The continued increase in the surplus allows the Trust to increase risk and possibly lower premiums. Vickie stated that she will provide projections at the renewal meeting in September 2017. There is also the consideration of plan design changes.

Debbie questioned the future of the Health Care Reform. Vickie commented on the push to more consumer driven plans with increases in contributions and increased tax benefits. She reported the Cadillac Tax had been delayed. David questioned health insurance premium reporting and the possible taxation of benefits. Vickie stated that the PCORI Fee will likely continue. She also stated that the transitional reinsurance fee, which was used to offset the cost of the marketplace is now ended and that the Trust has made the final payment.

Debbie asked if there were any RX adjustments that would need to be considered. Vickie stated that Blue Cross would provide that information and give a recommendation at the next meeting.

Vickie reported that the Blue Cross Telemedicine program is now available. Becky Patin stated that she had tried to use the service but had problems throughout her experience. There was discussion regarding promotion to make members aware of the program. Vickie also stated that the Trust cannot receive actual utilization reports on this program. She further stated that Blue Cross is starting a smart-shopper program in which you can price shop different services and the amounts charged by different providers.

**LA CLERKS OF COURT INSURANCE TRUST**  
**June 29, 2017**  
**PAGE 8**

**ATTORNEY:** There was no report at this time.

**EXECUTIVE DIRECTOR REPORT:** Debbie Hudnall had nothing further to report.

**COMMENTS BY BOARD MEMBERS:** None

**OTHER BUSINESS:** President David Dart thanked the Board for allowing him to serve during the past year.

There being no further business, Rick Arceneaux moved that the meeting be adjourned. Motion seconded by Mark Graffeo. **MOTION CARRIED.**

**Meeting adjourned.**

**APPROVED:**

  
\_\_\_\_\_  
**David Dart**  
**President**

**Respectfully submitted,**

  
\_\_\_\_\_  
**Debbie D. Hudnall**  
**Executive Director**