

APPROVED MINUTES

LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES MEETING

DECEMBER 1, 2016

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, December 1, 2016 in Baton Rouge, LA.

The meeting was called to order by President David Dart. Dodi Eubanks then gave the invocation. Lance Marino then led the Pledge of Allegiance.

MEMBERS PRESENT:

President David Dart	Randy Deshotel
Rick Arceneaux	Kay Bolding
Johnny Crain	Holli Vining
Lance Marino	
Becky Patin	
Dodi Eubanks	
Randy Deshotel	

ALSO PRESENT:

Debbie Hudnall, Executive Director
Tamara Volkert, Hunt Insurance Group
Vickie Whaley, Hunt Insurance Group
Stephen Blake, Hunt Insurance Group
Kim Turlich-Vaughan
Dagmar Hebert
Chris Kershaw

APPROVAL OF MINUTES

Mark Graffeo moved that the minutes of October 27, 2016 be approved as presented. Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

FINANCIALS: (Report on file in office) Controller Chris Kershaw presented the financial reports for the Insurance operations fund for October 2016.

Oct 2016-	Total Assets:	\$ 373,628
	Monthly Revenue	10,050
	Monthly Expenses	(8,087)
	Monthly Net Income	\$ 1,963

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

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ADMINISTRATORS' REPORT: (Report on file in office)

2017 RENEWALS

Vickie Whaley recapped the 2017 renewals and informed the Board on the status of the Open Enrollment period currently in process. She stated that the final stop loss quote had been received and finalized. Calcasieu Parish had decided not to join any of the ancillary benefits with the Trust and will continue with the Medical only. She reported that eight Clerks had made changes to the options available in their parish and that all the Medicare Supplement packets had been mailed to those retirees who are required to move starting January 1, 2017.

Vickie reviewed the required plan changes from Blue Cross Blue Shield (BCBS) including a Medical marijuana exclusion; Home sleep studies will not require a pre-authorization; Preventative medicine i.e. blood pressure monitoring prior to diagnosis of hypertension; Increase benefit for obesity (12 session of intensive behavior intervention); Non-invasive colorectal screen every 3 years replacing the option of a colonoscopy every 5 years.

Vickie further reviewed the BCBS optional changes available: (1) Increase emergency room co-pay (2) Exclusion of RX kits (3) Exclusion of RX drugs with over the counter alternatives (i.e. Nexium) (4) Exclusion of compound drugs (drugs that contain multiple active ingredients).

Holli Vining moved that there be no increase in the emergency room co-pay. Motion seconded by Mark Graffeo. **MOTION CARRIED.**

Rick Arceneaux moved to exclude RX kits. Motion seconded by Holli Vining. **MOTION CARRIED.**

There was further discussion regarding the exclusion of drugs with over the counter alternatives. Mark Graffeo moved to not exclude drugs with over the counter alternatives. Motion seconded by Johnny Crain, Jr. **MOTION CARRIED.** Mark Graffeo requested a list of those drugs that have an over the counter alternative.

Holli Vining moved to exclude compound drugs. Motion was seconded by Kay Bolding. **MOTION CARRIED.** Johnny Crain requested those affected to be notified timely of this change.

DISABILITY QUOTE: At the previous meeting, the Board asked Hunt Insurance to request quotes from The Standard on short term and long term disability with different benefit maximums and composite rates. Vickie presented the new quotes for the short term disability and stated that all weekly benefit maximums had the same premium amounts. The premium is based on the amount of covered payroll and not the

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employee's total salary. Quotes were provided with an age band contributory plan or a composite rate for a non-contributory plan. There was discussion regarding the 60% of covered payroll and the eligibility for those working 30 or more hours per week. There was further discussion on the start date of when the short term disability would begin. There was also discussion on the quoted rates as compared to the rates that Clerks who currently offer this coverage on an individual office basis. Vickie also presented quotes on the long term disability and explained that the Clerk was not included in either quote. There was discussion on how offering this coverage would work with those clerks who currently offer individual plans such as AFLAC. Vickie stated that in most cases if a member was covered by both, only one plan would pay. There was discussion regarding contributory (employee paid) vs. non-contributory (employer paid).

A motion was made by Mark Graffeo to offer the short term disability coverage through the Standard with \$1,000 max on an optional basis as presented and to offer the long term disability package including a contributory \$3,500 maximum benefit and non-contributory with a \$4,500 maximum benefit on an optional basis by parish. Motion was seconded by Johnny Crain. **MOTION CARRIED.**

There was discussion on the effective date this coverage would begin. Tamara Volkert stated that she would check on the possibility of a 2.5 year rate hold with The Standard. Hunt Insurance will be presenting at the Clerks Institute in February and can explain this new benefit at that time. The effective date will be July 1, 2017.

Vickie gave the financial reports for the Insurance Trust for the month of September 2016.

Sept 2016 Statement of Net Assets

Total Assets	\$ 7,547,582
Total Liabilities	(<u>946,102</u>)
Net Assets	\$ 6,601,480

Cash Analysis (as of Sept 2016)

Annual Funds Received	\$12,064,936
Annual Total Expenses	(<u>\$12,683,731</u>)
Cash Balance	\$ 2,857,512

Investments: Vickie reported the market value of Investments as of September 2016 was \$4,675,407.

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

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	\$ 1,427,066
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	\$ 3,253,114
July 16	\$ 97,813	\$ 443,347	\$ 541,160	\$ 3,794,274
Aug 16	\$ 118,729	\$ 817,967	\$ 936,696	\$ 4,730,970
Sept 16	\$ 88,952	\$ 627,783	\$ 716,735	\$ 5,447,705

CLAIMS EXPERIENCE - 2015

	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 15	\$ 159,614	\$ 388,486	\$ 498,100	\$ 498,100
Feb 15	\$ 93,278	\$ 328,875	\$ 422,153	\$ 920,253
Mar 15	\$ 138,316	\$ 596,374	\$ 734,691	\$ 1,654,944
Apr 15	\$ 109,535	\$ 325,182	\$ 434,716	\$ 2,089,660
May 15	\$ 151,207	\$ 300,660	\$ 451,867	\$ 2,541,527
June 15	\$ 174,375	\$ 481,916	\$ 656,291	\$ 3,197,818
July 2015	\$ 158,811	\$ 389,944	\$ 548,756	\$ 3,746,574
Aug 2015	\$ 205,282	\$ 802,413	\$ 1,007,695	\$ 4,754,269
Sept 2015	\$ 182,533	\$ 456,665	\$ 639,198	\$ 5,393,467
Oct 2015	\$ 177,870	\$ 554,025	\$ 731,895	\$ 6,125,362
Nov 2015	\$ 135,150	\$ 546,598	\$ 681,748	\$ 6,807,110
Dec 2015	\$ 180,092	\$ 582,947	\$ 763,039	\$7,570,149

Vickie commented on a retiree who is in a long term facility that is out of network.

Vickie stated that Hunt will add a count for each tier to the "Total Claims Costs PEPM by Tier and Enrollment" report.

Vickie reviewed the high cost claimants and stated there were two new additions to the list through October 31, 2016.

Vickie reported on the dental claims and the increased loss ratio of 86% as compared to the end of 2015. She reported that higher utilization in the last quarter of the year is normal.

LA CLERKS OF COURT INSURANCE TRUST**December 1, 2016****PAGE 5****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%
TOTAL	11,871	\$ 392,601	\$ 524,249	\$ 32,778 \$ 19,967	\$ 78,902	84.82%

DENTAL CLAIMS- 2015 (SELF FUNDED AS OF JANUARY 1, 2014)

Date	Lives	Total Claims	Premiums	Delta/Hunt Admin	Reserves	Loss Ratio
Jan 15	1,162	\$ 32,007	\$ 49,859	\$ 3,204 \$ 1,945	\$12,703	75%
Feb 15	1,162	\$ 40,026	\$ 49,365	\$ 3,213 \$ 1,931	\$ 4,195	92%
Mar 15	1,171	\$ 47,356	\$ 50,054	\$ 3,224 \$ 1,959	(\$ 2,485)	105%
Apr 15	1,172	\$ 52,521	\$ 50,114	\$ 3,232 \$ 1,959	(\$ 7,598)	115%
May 15	1,176	\$ 40,119	\$ 50,359	\$ 3,260 \$ 1,972	(\$ 5,008)	90%
June 15	1,170	\$ 44,101	\$ 49,488	\$3,224 \$ 1,941	\$ 222	100%
July 15	1,173	\$ 44,713	\$ 50,239	\$ 3,240 \$ 1,961	\$ 325	99%
Aug 15	1,178	\$ 37,694	\$ 49,713	\$ 3,232 \$ 1,953	\$6,834	86%
Sept 15	1,179	\$ 47,543	\$ 50,323	\$ 3,268 \$1,976	(\$2,463)	105%
Oct 15	1,178	\$ 25,258	\$ 49,861	\$ 3,254 \$ 1,964	\$ 19,386	61%
Nov 15	1,174	\$ 37,578	\$ 49,976	\$ 3,246 \$ 1,962	\$ 7,190	86%
Dec 15	1,171	\$ 37,068	\$ 49,857	\$ 3,237 \$ 1,958	\$ 7,594	85%
TOTAL	14,066	\$ 485,984	\$ 599,208	\$ 38,834 \$ 23,480	\$ 50,910	91.5%

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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%
TOTAL	8,990	\$ 64,028	\$ 44,743	\$ 7,131	81.02%

VISION INSURANCE - 2015

Date	Lives	Premium	Claims	Hunt Adm	Total Loss Ratio
Jan 15	865	\$ 6,038	\$ 3,726	\$ 672	72.84%
Feb 15	860	\$ 6,018	\$ 3,097	\$ 672	62.63%
Mar 15	871	\$ 6,142	\$ 3,456	\$ 683	67.39%
Apr 15	874	\$ 6,178	\$ 3,762	\$ 687	72.01%
May 15	873	\$ 6,162	\$ 4,443	\$ 690	83.30%
June 15	874	\$ 6,184	\$ 3,660	\$ 684	70.24%
July 15	878	\$ 6,202	\$ 4,923	\$ 691	90.53%
Aug 15	881	\$ 6,162	\$ 4,082	\$ 686	77.38%
Sep 15	880	\$ 6,215	\$ 4,858	\$ 698	89.40%
Oct 15	877	\$ 8,150	\$ 3,443	\$ 684	67.11%
Nov 15	875	\$ 6,164	(\$84)	\$ 686	9.76%
Dec 15	872	\$ 6,159	\$ 3,506	\$ 685	68.05%
TOTAL	10,480	\$ 73,773	\$42,872	\$8,218	69.25%

There was no life insurance report provided.

HEALTH SCREENINGS: Vickie informed the Board of the screening dates starting in February and continuing into mid- March. Hunt will begin to promote the screenings and ask that Clerks encourage their employees to participate. The Trust will cover the cost of these screenings for those members on the BCBS plan along with spouses. Debbie questioned the flexibility of the dates on the proposed contract. She provided the Board members present with the dates for their respective parishes. However, it was discovered there was an omitted parish and several conflicting dates. Hunt Insurance will reach out to the provider of the screenings to revise the proposed dates.

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ATTORNEY: Debbie reported that Attorney Sheri Morris had a conference call on November 8th with the Department of Labor (DOL). Sheri had provided a synopsis of the call via email to Debbie. Debbie forwarded the email to Hunt Insurance. It is likely there will need to be a conference call between Hunt Insurance, auditors and Sheri, and then with the DOL regarding the Form 5500 errors and issue with claims that the DOL said were unrealistic.

Blue Cross Contract: Debbie commented that the finalization of this contract is dependent on the ERISA/MEWA issue. It was suggested that the contract be signed and that the status of the MEWA/ERISA be listed as indeterminable. A motion was made by Rick Arceneaux to authorize the Executive Director to sign the contract with MEWA/ERISA marked as indeterminable. Motion was seconded by Mark Graffeo. **MOTION CARRIED.**

COMMENTS BY BOARD MEMBERS: Johnny Crain commented that St. Tammany Parish had expressed an interest in joining the Trust. Debbie also commented that East Baton Rouge Parish had previously expressed an interest but had missed a scheduled appointment. Hunt Insurance would also like to reach out to Livingston and Lafayette.

Debbie commented that she had provided the Insurance financials at the Clerks Only meeting to inform all the Clerks on the financial standing of the Trust.

Holli Vining requested a report on the 2017 enrollment changes for Webster Parish.


Tamara reminded everyone about HR 360 site and encouraged the Clerks to sign in to access the human resource information available on the site.

OTHER BUSINESS:

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

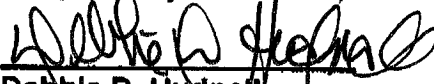
Meeting adjourned.

APPROVED:



David Dart
President

Respectfully submitted,



Debbie D. Hudnall
Executive Director