

APPROVED MINUTES
LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING
MARCH 25, 2015
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, March 25, 2015 in Baton Rouge, LA.

The meeting was called to order by President Diane Meaux Broussard. Dot Lundin then gave the invocation. Darlene Landry then led the Pledge of Allegiance.

MEMBERS PRESENT:

President Diane Meaux Broussard	Carol Jones
Holli Vining	Lanell Landry
Darlene Landry	Steve Andrews
Dot Lundin	David Dart
Rick Arceneaux	Tammy Foster
Dodi Eubanks	Kay Bolding

ALSO PRESENT:

Brian Lestage
Debbie Hudnall, Executive Director
Tamara Volkert, Hunt Insurance Group
Vickie Whaley, Hunt Insurance Group
Chris Kershaw
Dagmar Hebert

RESIGNATION OF MEMBER

Debbie reported that Carl Broussard had resigned from the Board and Holli Vining has moved up to 1st Vice President, leaving a vacancy in District 4. District 4 met and elected Dodi Eubanks to fill that vacancy.

Dodi Eubanks was then sworn in by Diane Meaux Broussard.

APPROVAL OF MINUTES

Rick Arceneaux moved that the minutes of December 3, 2014 be approved as presented. Motion seconded by Tammy Foster. **MOTION CARRIED.**

COMMENTS BY CHAIRMAN

Chairman Broussard commented that this meeting was her final meeting as President. She thanked the Board for their support during the year. She also thanked Debbie and the Association staff.

FINANCIALS: (Report on file in office) Controller Chris Kershaw presented the financial reports for the Insurance operations fund for November and December 2014, as well as, January and February 2015.

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NOV 2014-	Total Assets:	\$ 347,013
	Monthly Revenue	8,892
	Monthly Expenses	(5,388)
	Monthly Net Income	\$ 3,504
DEC 2014-	Total Assets:	\$ 349,057
	Monthly Revenue	9,661
	Monthly Expenses	(7,617)
	Monthly Net Income	\$ 2,044
JAN 2015-	Total Assets:	\$ 354,306
	Monthly Revenue	10,752
	Monthly Expenses	(5,504)
	Monthly Net Income	\$ 5,248
FEB 2015-	Total Assets:	\$ 357,110
	Monthly Revenue	11,874
	Monthly Expenses	(9,069)
	Monthly Net Income	\$ 2,804

Chris commented that December 31, 2014 is the Trust's fiscal year end. He also commented on the timing difference on COBRA payments.

Tammy Foster moved that the Financial Statements be received. Motion seconded by David Dart. **MOTION CARRIED.**

ADMINISTRATORS' REPORT: (Report on file in office)

Tamara Volkert reported that at one of the previous meetings Hunt was asked to look into providing the C-PAP (for sleep apnea) as preventative or wellness. Morgan Vitale has researched this and it could not be offered as a preventative or wellness benefit, because it is a treatment of condition.

Blue Cross Blue Shield (BCBS) – Tamara Volkert reported on the appeals process for claims and that recently there has been a delay in BCBS forwarding the 2nd level appeals to the LCCIT office. She requested that representatives from BCBS attend the meeting to explain the issues on appeals. Tamara introduced Cabrini Granier, Paula Shepherd and Bernie Kendrick with BCBS to the Board. Cabrini reported that BCBS has been working with Hunt Insurance on several appeals. There is a certain provider group that does not want to contract with BCBS, so that they can balance bill the member. BCBS has this problem with this same provider with other groups. Paula Shepherd commented on the external review process and questioned if the Trust was contracted with 3 IROs (Independent Review Organization) and if there was a plan in

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place to facilitate that process. She commented that BCBS can handle the 3rd level appeals and there would be a fee for the external review estimated between \$600 and up to \$1,575. Paula further stated that appeals regarding provider reimbursement do not require an external review, but appeals based on medical judgment could require an external review. Paula stated that by contracting with BCBS the liability is removed from the Trust in making those determinations.

Tamara recommended that the Board allow BCBS to contract the 3rd party IROs. Currently, one claim is now at this level of appeal. Tammy Foster moved that the Board contract with Blue Cross Blue Shield to handle the 3rd level appeals. Motion seconded by Holli Vining. **MOTION CARRIED.**

Debbie questioned BCBS about the timeliness of appeals being delivered to LCCIT on the 2nd appeal level from BCBS. Paula stated that BCBS would do what is appropriate if BCBS is found in error in that process. Paula explained that 1st level appeals are handled by BCBS. 2nd level appeals are sent to the LCCIT office and are then forwarded to Hunt Insurance. If medical judgement is necessary, BCBS handles and then sends to IRO. If cost is questioned, it is handled by the group. The employer group is notified of external appeals.

Dodi Eubanks questioned if there was any regulation to stop a provider from filing so many appeals. Holli questioned if you could approach the Commissioner of Insurance regarding the certain provider that continues to file the appeals. Debbie inquired as to how best to communicate to the members about IN versus OUT of Network and the benefits of using In-Network providers.

Cabrini Granier introduced the Quality Blue Program and explained that this program moves to a concept where payment to the provider is based on quality of care and outcome versus how many patients are seen in a certain time period. The program targets four chronic conditions including diabetes, hypertension, vascular and kidney. Currently 123 members on the plan are seeing Quality Blue providers, 42 with one condition and 19 with multiple. Providers encourage lifestyle changes and are paid a higher percentage based on patient outcome. BCBS has a Quality Blue provider directory. The Trust can promote the Quality Blue providers and the suggestion was made for future changes to the co-pays on Option 2 if one of these providers is utilized. Dodi questioned where the revenue comes from to pay these providers. Cabrini explained that there is a marginal increase in claims but prevention of those big dollar items if those conditions are not monitored is where savings are incurred.

Financial Reports: Vickie Whaley gave the financial reports for the Insurance Trust for the months of October, November and December 2014, and January 2015.

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Oct 2014 Statement of Net Assets

Total Assets	\$ 5,140,556
Total Liabilities	<u>(\$ 1,321,070)</u>
Net Assets	\$ 3,819,486

Cash Analysis (as of Oct 2014)

Annual Funds Received	\$ 10,553,781
Annual Total Expenses	<u>(\$ 8,347,730)</u>
Cash Balance	\$ 3,988,151

Nov 2014 Statement of Net Assets

Total Assets	\$ 4,829,375
Total Liabilities	<u>(\$ 968,093)</u>
Net Assets	\$ 3,861,282

Cash Analysis (as of Nov 2014)

Annual Funds Received	\$ 11,692,587
Annual Total Expenses	<u>(\$ 9,865,944)</u>
Cash Balance	\$ 3,608,743

Dec 2014 Statement of Net Assets

Total Assets	\$ 4,929,687
Total Liabilities	<u>(\$ 1,024,122)</u>
Net Assets	\$ 3,905,565

Cash Analysis (as of Dec 2014)

Annual Funds Received	\$ 12,660,553
Annual Total Expenses	<u>(\$ 12,259,780)</u>
Cash Balance	\$ 2,182,873

Jan 2015 Statement of Net Assets

Total Assets	\$ 4,998,385
Total Liabilities	<u>(\$ 919,086)</u>
Net Assets	\$ 4,079,299

Cash Analysis (as of Jan 2015)

Annual Funds Received	\$ 1,136,787
Annual Total Expenses	<u>(\$ 908,015)</u>
Cash Balance	\$ 2,331,723

Investments: Vickie reported the market value of Investments as of January 2015 was \$2,586,983. Debbie asked that the date of maturity be added to the Statement of Investment Schedule.

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CLAIMS EXPERIENCE:

Vickie presented the current participation numbers and the following claims experience.

CLAIMS EXPERIENCE - 2015

	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 15	\$ 159,614	\$ 388,486	\$ 548,100	\$ 548,100

CLAIMS EXPERIENCE - 2014

	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 14	\$ 90,799	\$402,418	\$ 493,217	\$ 493,217
Feb 14	\$143,662	\$196,072	\$ 339,733	\$ 832,951
Mar 14	\$114,649	\$413,491	\$ 528,140	\$1,361,091
Apr 14	\$149,307	\$262,452	\$ 411,759	\$1,722,850
May 14	\$143,336	\$313,988	\$ 457,324	\$2,230,174
June 14	\$170,358	\$565,150	\$ 735,508	\$2,965,682
July 14	\$139,850	\$413,523	\$ 553,373	\$3,519,055
August 14	\$141,809	\$576,303	\$ 718,112	\$4,237,167
September 14	\$144,381	\$516,091	\$ 660,472	\$4,897,638
October 14	\$136,854	\$654,418	\$ 791,272	\$5,688,910
November 14	\$204,824	\$542,719	\$ 747,543	\$6,323,578
December 14	\$170,379	\$544,194	\$714,573	\$7,009,321

Vickie commented that the RX increased above average due to a specific specialty drug and outpatient facility cost increased due to a claim that was settled on appeal.

Vickie reported that as of March 14, 2015, there were no claimants on the listing of potential specific claimants.

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%
TOTAL	2,324	\$ 72,033	\$ 99,224	\$ 6,417 \$ 3,876	\$16,898	82.97%

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

Date	Lives	Run-Out Claims Pd	Self- Funded Claims Pd	Total Claims	Premiums	Delta/Hunt Admin	Reserves	Ratio
Jan 14	1,154	\$ 13,488	\$ 23,921	\$ 37,409	\$ 47,512	\$ 2,984 \$ 1,928	\$ 18,679	61%
Feb 14	1,150	\$ 1,376	\$ 30,116	\$ 31,492	\$ 47,457	\$ 3,166 \$ 1,922	\$ 12,253	74%
Mar 14	1,155	\$ 0	\$ 37,971	\$ 37,971	\$ 47,423	\$ 3,152 \$ 1,926	\$ 4,374	91%
Apr 14	1,154	\$ 0	\$ 53,884	\$ 53,884	\$ 47,580	\$ 3,193 \$ 1,934	(\$ 11,431)	124%
May 14	1,154	\$ 0	\$ 36,468	\$ 36,468	\$ 47,507	\$ 3,190 \$ 1,932	\$ 5,917	88%
June 14	1,155	\$ 0	\$ 48,202	\$ 48,202	\$ 47,561	\$ 3,188 \$ 1,932	(\$ 5,761)	112.11%
July 14	1,156	\$ 0	\$ 45,982	\$ 45,982	\$ 47,774	\$ 3,196 \$ 1,938	(\$ 3,342)	107.00%
Aug 14	1,161	\$ 0	\$ 40,850	\$ 40,850	\$ 48,170	\$ 3,204 \$ 1,947	\$ 2,169	95.50%
Sept 14	1,159	\$ 0	\$ 33,628	\$ 33,628	\$ 48,029	\$ 3,210 \$ 1,947	\$ 9,244	80.75%
Oct 14	1,162	\$ 0	\$ 50,690	\$ 50,690	\$ 47,017	\$ 3,213 \$ 1,920	(\$ 8,806)	118.73%
Nov 14	1,168	\$ 0	\$ 35,998	\$ 35,998	\$ 47,902	\$ 3,215 \$ 1,952	(\$ 6,737)	85.94%
Dec 14	1,169	\$ 0	\$ 50,473	\$ 50,473	\$ 48,082	\$ 3,193 \$ 1,951	(\$ 7,535)	115.67%
Total	13,897	\$ 14,864	\$ 488,183	\$ 503,047	\$ 572,014	\$ 38,104 \$ 23,229	\$ 22,498	96.07% avg

VISION INSURANCE - 2015

Date	Lives	Premium	Claims	Ratio	Hunt Adm	Total Loss Ratio
Jan 15	865	\$ 6,038	\$ 3,726	61.71%	\$ 672	72.84%
Feb 15	860	\$ 6,018	\$ 3,097	51.46%	\$ 672	62.63%
TOTAL	1,725	\$ 12,056	\$ 4,360	56.59%	\$ 1,344	67.73%

VISION INSURANCE - 2014

Date	Lives	Premium	Claims	Ratio
Jan 14	850	\$ 6,046.00	\$ 4,200.00	69.47%
Feb 14	850	\$ 6,044.00	\$ 2,323.00	38.43%
Mar 14	850	\$ 6,038.00	\$ 4,360.00	72.21%
Apr 14	850	\$ 6,028.00	\$ 5,768.00	95.69%
May 14	852	\$ 6,028.00	\$ 4,445.00	73.74%
Jun 14	854	\$ 6,049.00	\$ 3,961.00	65.48%
July 14	854	\$ 6,063.00	\$ 5,402.00	100.23%
August 14	857	\$ 6,083.00	\$ 4,637.00	87.39%
Sept 14	856	\$ 6,060.00	\$ 3,237.00	64.59%
Oct 14	861	\$ 6,088.00	\$ 4,171.00	79.76%
Nov 14	863	\$ 6,094.00	\$ 3,980.00	76.49%
Dec 14	864	\$ 6,095.00	\$ 4,360.00	82.69%
TOTAL	10,262	\$ 72,716.00	\$ 50,844.00	81.07%

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LIFE INSURANCE: 01/01/2015 – 02/28/2015

Earned Premiums	\$ 153,330
Paid Claims	112,500
Change in IBNR	36,520
Change in Reported Reserve	15,000
Total Incurred Claims	164,020
Total Expense & Risk Charges	29,280
BALANCE	(\$39,970)

HEALTH FAIR Screenings: Tamara commented that there was nothing further to report on the Health Fair screenings and that the Board could perhaps considered offering the screening bi-annually.

WELLNESS PROGRAM (WHO – Wellness, Health, Outcome): President Broussard commented that the Wellness Committee is on hold until after the conference.

RENEWALS: Tamara commented that as in previous years if any of the current providers come back with increases during renewals, Hunt Insurance will go out to the market on those particular coverages and report back to the Board during renewals.

EXECUTIVE DIRECTOR REPORT: Debbie commented that they are still working on the contract with BCBS and still waiting on a determination on ERISA status. There is disagreement between the auditors and Hunt Insurance Group on the ERISA status. Tamara reached out to an attorney in New Orleans for a quote on a determination, but it was costly. Debbie has reached out to Sheri Morris for guidance. Tamara also commented on the Trust's MEWA (Multiple Employee Welfare Agreement) status. Whether or not the Trust is considered a MEWA has bearing on issues including Medicare as primary payer. Currently, the Trust operates as an ERISA, non- MEWA Plan, but there is no official signed document.

Debbie questioned if there were any negative issues if the Trust operates under ERISA. Tamara commented that there are regulations to follow but there is no significant issue. Debbie asked if the Board could continue to operate in the same manner as it has always operated. It was agreed that the plan would operate under ERISA.

Tamara stated that Hunt Insurance Group cannot provide a recommendation on ERISA and MEWA status. She advised that there are other issues beside the Medicare payer issue that arise based on your MEWA status. Debbie asked that the Board table this issue and she will contact Sheri Morris to look into these laws.

Tamara informed the Board that currently, retirees do not experience the same qualifying events as active members. To be in compliance with Federal Law, marriage, adoption or have a baby would be considered qualifying events and the Board will need to adopt that policy.

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In addition, Tamara further reported Federal law requires that if an individual office has 50+ employees, based on the individual employer mandate, in 2016 will be required to have open enrollment every year. This affects 3 parishes on our plan.

Debbie informed the Board that there is a new agent of record for the Board's D&O insurance, AJ Gallagher located in Baton Rouge, LA.

She asked the Board members to submit their Regulation 66 form as soon as possible.

OTHER BUSINESS: None

COMMENTS BY BOARD MEMBERS

Dot Lundin commented on a continuing insurance coverage for an active employee who retires but has not been with the Clerks' office for very long, having transferred time from another system. The Clerks had passed legislation in 2011 in regards to continuing insurance coverage for eligible employees who retire and have worked at least 12 years for the Clerks' office.

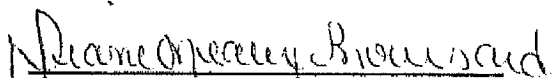
Board members expressed their gratitude to Diane for serving as President and thanked her for a job well done.

Lanell Landry commented that this was her last meeting to serve on the Insurance Board and she enjoyed serving the Clerks on this Board.


There being no further business, Tammy Foster moved that the meeting be adjourned. Motion seconded by Darlene Landry. **MOTION CARRIED.**

Meeting adjourned.

APPROVED:


Diane Meaux Broussard
President

Respectfully submitted,


Debbie D. Hudnall
Executive Director