

## **APPROVED MINUTES**

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

**MAY 22, 2014**

**12:00 PM**

**BATON ROUGE, LOUISIANA**

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, May 22, 2014 in Baton Rouge, Louisiana.

The meeting was called to order by President Diane Meaux Broussard who then asked Dot Lundin to give the invocation. Rick Arceneaux then led the Pledge of Allegiance.

#### **MEMBERS PRESENT:**

President Diane Meaux Broussard

Mark Graffeo

Tammy Foster

Darlene Landry

Dot Lundin

Rick Arceneaux

Holli Vining

Carol Jones

Steve Andrews

Kay Bolding

#### **ALSO PRESENT:**

Debbie Hudnall, Executive Director

Tamara Volkert, Hunt Insurance

Chris Kershaw

Dagmar Hebert

#### **APPROVAL OF MINUTES**

Steve Andrews moved that the minutes of March 12, 2014 be approved as presented. Motion seconded by Darlene Landry. **MOTION CARRIED.**

#### **OATH OF OFFICE**

Kay Bolding was sworn in as Retired Clerk Member by Diane Meaux Broussard.

#### **COMMENTS BY CHAIRMAN**

Chairman Broussard commented on the reception honoring Hart Bourque that had taken place prior to the meeting.

**FINANCIALS: (Report on file in office)** Treasurer Mark Graffeo presented the financial reports for Insurance operations fund for February, March and April 2014.

<b>Feb 2014-</b>	Total Assets:	\$ 330,237
	Monthly Revenue	8,779
	Monthly Expenses	( 5,132)
	Monthly Net Income	\$ 3,647

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<b>Mar 2014-</b>	Total Assets:	\$ 332,939
	Monthly Revenue	8,924
	Monthly Expenses	<u>( 6,222)</u>
	Monthly Net Loss	\$ 2,702

<b>Apr 2014-</b>	Total Assets:	\$ 336,585
	Monthly Revenue	8,856
	Monthly Expenses	<u>( 5,211)</u>
	Monthly Net Loss	\$ 3,645

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

Tamara commented on the PCORI fee and Debbie confirmed that the item was included in the current budget.

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

**Financial Reports:** Tamara Volkert gave the financial reports for the Insurance Trust for the months of January, February and March 2014.

**Jan 2014 Statement of Net Assets (preliminary)**

Total Assets	\$ 3,446,842
Total Liabilities	<u>(\$ 1,428,387)</u>
Net Assets	\$ 2,018,455

**Cash Analysis (as of Jan 2014)**

Annual Funds Received	\$ 896,899
Annual Total Expenses	<u>(\$ 651,855)</u>
Cash Balance	\$ 2,027,144

**Feb 2014 Statement of Net Assets (preliminary)**

Total Assets	\$ 3,753,827
Total Liabilities	<u>(\$ 1,389,949)</u>
Net Assets	\$ 2,363,878

**Cash Analysis (as of Feb 2014)**

Annual Funds Received	\$ 2,326,991
Annual Total Expenses	<u>(\$1,445,277)</u>
Cash Balance	\$ 2,663,813

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**Mar 2014 Statement of Net Assets (preliminary)**

Total Assets	\$ 4,077,329
Total Liabilities	<u>(\$ 1,518,528)</u>
Net Assets	\$ 2,558,801

**Cash Analysis (as of Mar 2014)**

Annual Funds Received	\$ 3,417,792
Annual Total Expenses	<u>(\$ 2,207,008)</u>
Cash Balance	\$ 2,992,884

**Investments:** Tamara reported the market value of the investments as of March 2014 was \$1,064,523.

**CLAIMS EXPERIENCE:** Tamara reported that the plan has experienced a better start to the 2014 plan year as compared to the 2013 plan year. She also reported that the based on a previous request at the last Board Meeting, Hunt has provided a more extensive breakdown on the members enrolled in each benefit as well as the top diagnosis by parish.

Tamara reported that there have been three (3) members added to the potential specific claimants as of March 2014. Tamara discussed the various reports that are prepared by Blue Cross Blue Shield (BCBS). The Board now has comparative data provided by BCBS, having completed a full plan year 2013 with BCBS.

**CLAIMS EXPERIENCE - 2014**

	<b>Prescriptions</b>	<b>Medical</b>	<b>Monthly Totals</b>	<b>Aggregate</b>
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

**CLAIMS EXPERIENCE - 2013**

<b>Month</b>	<b>Prescriptions</b>	<b>Medical</b>	<b>Monthly Totals</b>	<b>Aggregate</b>
Jan 13	\$133,494	\$537,329	\$670,823	\$ 670,823
Feb 13	\$88,494	\$542,696	\$631,190	\$1,302,013
Mar 13	\$97,326	\$413,280	\$510,606	\$1,812,619
Apr 13	\$101,193	\$782,878	\$884,071	\$2,696,690
May 13	\$107,550	\$431,858	\$539,408	\$3,236,097
June 13	\$115,657	\$510,287	\$625,944	\$3,862,041
July 13	\$109,855	\$834,852	\$944,707	\$4,806,748
Aug 13	\$133,338	\$581,498	\$714,836	\$5,521,584
Sept 13	\$141,614	\$453,014	\$594,627	\$6,116,211
Oct 13	\$139,737	\$1,202,192	\$1,341,929	\$7,216,259
Nov 13	\$146,438	\$537,175	\$683,613	\$7,870,187
Dec 13	\$143,209	\$607,459	\$750,668	\$8,554,583

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Tamara commented on the prescription drug program and the Major Medical (Option 1) and PBM Drugs (Option 2). The number of prescriptions have decreased but the cost has increased. Tamara brought before the Board an opportunity for Express Scripts to partner with certain retail chains to provide an 84/90 day prescription through retail instead of mail order. This option is only available for those in Option 2. There is not a significant monetary savings compared to mail order but the focus is more to adherence of maintenance drugs. Tammy Foster moved that the Board allow for a participating Express Script pharmacy to provide an 84/90 day supply to be filled at a retail location for maintenance drugs. Motion seconded by Carol Jones. **MOTION CARRIED.**

Tamara reminded the Board that as of January 1, 2014 the dental program is self-funded. There was an increase in dental claims for the month of March 2014 and there was a negative amount taken from Reserves.

**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	\$ 42,600	\$ 3,185 \$ 1,928	\$13,566	68%
Feb 14	1,150	\$ 1,376	\$ 30,116	\$ 31,492	\$ 42,369	\$ 3,174 \$ 1,922	\$ 7,157	83%
Mar 14	1,155	\$ 0	\$ 37,971	\$ 37,971	\$ 42,345	\$ 3,185 \$ 1,926	(\$ 737)	102%
<b>Total</b>	<b>3,459</b>	<b>\$ 14,864</b>	<b>\$ 92,008</b>	<b>\$ 106,872</b>	<b>\$ 127,314</b>	<b>\$ 9,544 \$ 5,776</b>	<b>\$19,986</b>	<b>84.33% avg</b>

**DENTAL CLAIMS- 2013**

Date	Lives	Premiums	Claims	Ratio
Jan 13	1,155	\$ 46,965.00	\$39,230.00	83.53%
Feb 13	1,155	47,213.00	39,735.00	84.16%
Mar 13	1,157	46,860.00	42,632.00	90.98%
Apr 13	1,155	46,834.00	40,789.00	87.09%
May 13	1,152	46,707.00	52,868.00	113.19%
June 13	1,149	47,052.00	36,753.00	78.11%
July 13	1,152	46,047.00	42,120.00	91.47%
August 13	1,149	46,647.00	39,796.00	85.31%
September 13	1,151	46,494.00	29,707.00	63.89%
October 13	1,157	46,637.00	50,535.00	108.36%
November 13	1,159	46,790.00	42,490.00	90.81%
December 13	1,158	46,610.00	46,509.00	99.78%
<b>TOTAL</b>	<b>13,853</b>	<b>\$ 560,856.00</b>	<b>\$ 503,164.00</b>	<b>89.7%</b>

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**VISION INSURANCE - 2014**

<b>Date</b>	<b>Lives</b>	<b>Premium</b>	<b>Claims</b>	<b>Ratio</b>
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	\$ 6,028.00	\$ 5,768.00	95.69%

**VISION INSURANCE - 2013**

<b>Date</b>	<b>Lives</b>	<b>Premium</b>	<b>Claims</b>	<b>Ratio</b>
Jan 13	837	\$ 5,726.00	\$ 1,124.00	35.33%
Feb 13	839	5,732.00	7,545.00	131.63%
Mar 13	844	5,754.00	4,232.00	73.55%
Apr 13	844	5,740.00	3,651.00	63.61%
May 13	844	5,737.00	4,193.00	73.09%
June 13	844	5,743.00	3,810.00	66.34%
July 13	847	5,750.00	7,427.00	129.17%
August 13	846	5,763.00	4,050.00	70.28%
Sept 13	848	5,747.00	2,464.00	42.87%
Oct 13	853	5,789.00	4,440.00	76.7%
Nov 13	855	5,793.00	3,467.00	59.85%
Dec 13	856	5,787.00	4,937	85.31%
<b>TOTAL</b>	<b>10,157</b>	<b>\$69,061.00</b>	<b>\$42,936.00</b>	<b>74.69%</b>

Tamara reported on the life insurance coverage through The Standard. Standard has a negative balance and they continue to give us a rate pass. Tamara stated that Hunt Insurance Group has a significant relationship with Standard and LCCIT benefits from that relationship.

**LIFE INSURANCE: 01/01/2014 – 04/30/2014**

Earned Premiums	\$ 246,777
Paid Claims	617,500
Change in IBNR	1,926
Change in Reported Reserve	-25,000
Total Incurred Claims	594,426
Total Expense & Risk Charges	63,281
<b>BALANCE</b>	<b>(\$ 410,930)</b>

**WELLNESS PROGRAM (WHO – Wellness, Health, Outcome)**

Chairman Broussard reported that the wellness committee met on April 4 and began to brainstorm ideas for a wellness program. There was a campaign to start to promoting the wellness program at the 2014 conference. She said that there are the tools available at no cost to the members through Blue Cross Blue Shield: LA 2 Step, and the BCBS website. There was discussion on office participation. There will also be a seminar to promote wellness and health at the upcoming August Clerks Institute.

Tamara presented to the Board information on two screening providers: Catapult, who had made a presentation at the last Board Meeting and Health Fair, a company that provides more extensive screenings, including the EKG and Ultrasound. The most comprehensive exam through Health Fair would be \$229 per person with approximately 867 members in the plan who are age 25 and above. Health Fair proposes 34 stops around the state as they offer services from a mobile bus. Tamara presented a calendar of possible dates and parish stops.

Mark asked what the recommendation of the committee was in regards to the screenings. Debbie commented that the committee recommends the screening but providers and timing of the screening was in question. The initial plan is to have a kick-off of the program at the August Institute to promote the free tools offered by BCBS and then follow up with comprehensive screenings.

Rick Arceneaux moved that the Board proceed with the comprehensive screening package offered by Health Fair screenings with dates to be determined after the August Institute for those members ages 30 and over, including retirees who are still in the BCBS Option 1 or 2. Motion seconded by Tammy Foster. **MOTION CARRIED.**

There was discussion on offering incentives or applying a penalty based on office participation. Holli Vining moved that an office must have 80% participation or there will be an additional 5% premium increase in addition to any renewal increases for 2015. Motion seconded by Tammy Foster. **MOTION CARRIED.**

**CADILLAC TAX**

Tamara provided information regarding the Cadillac tax beginning 2018. Based on Hunt's estimates, Option 1 will be below the thresholds and remain in compliance. Option 2 would be out of compliance by year 2021. Debbie commented that it appeared based on health care reform the differentiating factors between Option 1 and Option 2 are minimizing and thus appear to be driving the Trust to possibly one plan option in the future.

**EXECUTIVE DIRECTOR REPORT:**

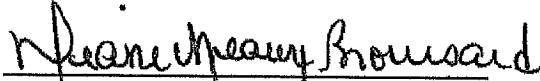
Debbie reported that Blue Cross Blue Shield has refused to put a termination clause in the contract until the time of termination. Debbie asked the Board for authorization to sign the contract without the termination clause.

Rick Arceneaux moved to authorize Debbie to sign the contract without the termination clause. Motion seconded Mark Graffeo. **MOTION CARRIED.**

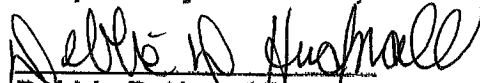
There being no further business, Tammy Foster moved that the meeting be adjourned. Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

**Meeting adjourned.**

**APPROVED:**

  
Diane Meaux Broussard  
President

**Respectfully submitted,**

  
Debbie D. Hudnall  
Executive Director