

## APPROVED MINUTES

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

DECEMBER 13, 2013

9:00 AM

NATCHITOCHES, LOUISIANA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Friday, December 13, 2013 in Natchitoches, Louisiana.

The meeting was called to order by President Tammy Foster who then asked Steve Andrews to give the invocation. Bill Hodge then led the Pledge of Allegiance.

#### MEMBERS PRESENT:

President Tammy Foster  
Diane Meaux Broussard  
Mark Graffeo  
Darlene Landry  
Dot Lundin

Holli Vining  
Carol Jones  
Steve Andrews  
Cliff Dressel  
Bill Hodge

#### ALSO PRESENT:

Debbie Hudnall, Executive Director  
Tamara Tretter, Hunt Insurance

Guests – Louie Bernard

#### APPROVAL OF MINUTES

Holli Vining moved that the minutes of October 25, 2013 be approved as presented. Motion seconded by Darlene Landry. **MOTION CARRIED.**

#### COMMENTS BY CHAIRMAN

Chairman Tammy Foster thanked everyone for attendance.

**FINANCIALS: (Report on file in office)** Treasurer Mark Graffeo presented the financial reports for Insurance operations fund for October and November 2013.

<b>Oct. 2013-</b>	Total Assets:	\$ 321,821
	Monthly Revenue	11,500
	Monthly Expenses	( 10,072)
	Monthly Net Income	\$ 1,427

<b>Nov. 2013-</b>	Total Assets:	\$ 323,693
	Monthly Revenue	11,623
	Monthly Expenses	( 9,751)
	Monthly Net Loss	\$ 1,871

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Bill Hodge moved that the Financial Statements be received. Motion seconded by Cliff Dressel. **MOTION CARRIED**

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

**Financial Reports:** Tamara Volkert gave the financial reports for the Insurance Trust for the months of August, September and October 2013.

**Aug 2013 Statement of Net Assets (preliminary)**

Total Assets	\$ 3,264,222
Total Liabilities	<u>(\$ 1,075,024)</u>
Net Assets	\$2,189,198

**Cash Analysis (as of Aug 2013)**

Annual Funds Received	\$ 8,004,372
Annual Total Expenses	<u>(\$ 8,463,923)</u>
Cash Balance	\$2,158,415

**Sep 2013 Statement of Net Assets (preliminary)**

Total Assets	\$ 3,407,484
Total Liabilities	<u>(\$ 1,135,372)</u>
Net Assets	\$ 2,272,112

**Cash Analysis (as of Sep 2013)**

Annual Funds Received	\$10,243,047
Annual Total Expenses	<u>(\$ 9,497,858)</u>
Cash Balance	\$ 2,327,599

**Oct 2013 Statement of Net Assets**

Total Assets	\$ 3,801,762
Total Liabilities	<u>(\$ 2,163,881)</u>
Net Assets	\$ 1,637,881

**Cash Analysis (as of Oct 2013)**

Annual Funds Received	\$11,334,487
Annual Total Expenses	<u>(\$10,457,680)</u>
Cash Balance	\$ 2,459,217

Tamara pointed out on the October Statement of Net Assets shows IBNR at \$1,106,468 which is the IBNR determined by the actuary and will remain constant from now on throughout the year until a new actuarial report. She also said they are analyzing the pharmaceutical rebates because they are coming very differently from what they have in the past. She said they used to receive quarterly checks from Scriptcare and now the

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rebates are building on the claim bill as a credit. She said they did not feel they were being reconciled correctly. She hoped to have more on that at the next meeting. Tamara pointed out the Net Assets as of October 2013 were \$1,637,881 compared to Net Assets as of October 2012 of \$822,683. She said that the tough decision that the Board made last year with the significant increase and the modifications to the plan have helped build up the surplus. Tamara informed the Board that they are currently awaiting reimbursement from Symetra of about \$242,000. She pointed out that the medical claims paid out in October were \$1.2 million, the highest ever. She reported that as of December 1<sup>st</sup>, the largest claimant moved off of the plan.

**Investments:** Tamara reported the market value of the investments as of October 2013 was \$1,066,250.

Tamara reviewed the Participation report in the Trust along with the Parish claims report. She then reviewed the Specific Claimants showing 13 potential claimants and showing that \$2.3 million having been paid on these claimants. She explained that the corridor had been satisfied and were now waiting for the \$242,000 re-imbursement from the re-insurer. She then reviewed the prescription drug claims showing prescription drug payments of \$5.3 million through October.

**CLAIMS EXPERIENCE:** Tamara reported on the actual claims experience for 2013.

**CLAIMS EXPERIENCE - 2013**

Month	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 13	\$133,494	\$537,331	\$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	\$834,212	\$944,067	\$4,805,887
Aug 13	\$133,338	\$581,498	\$714,836	\$5,520,723
Sept 13	\$141,614	\$453,014	\$594,627	\$6,115,350
Oct 13	\$139,737	\$1,202,192	\$1,341,929	\$7,215,398

**CLAIMS EXPERIENCE - 2012**

Month	Prescriptions	Medical	Monthly Totals	Aggregate
Jan 12	\$92,748	\$754,194	\$846,942	\$ 846,942
Feb 12	\$92,412	\$650,802	\$743,214	\$1,590,156
Mar 12	\$101,070	\$586,552	\$687,622	\$2,277,778
Apr 12	\$119,113	\$556,008	\$675,121	\$2,952,899
May 12	\$125,232	\$557,234	\$682,466	\$3,635,365
June 12	\$139,166	\$542,117	\$681,283	\$4,316,648
July 12	\$128,395	\$486,794	\$615,189	\$4,931,837
August 12	\$124,744	\$595,444	\$720,188	\$5,652,025
Sept 12	\$158,614	\$508,082	\$666,696	\$6,318,721
Oct 12	\$134,595	\$461,961	\$596,556	\$6,915,277
Nov 12	\$178,612	\$529,481	\$708,093	\$7,623,370
Dec 12	\$146,949	\$426,749	\$573,698	\$8,197,068

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**DENTAL CLAIMS- 2013**

<b>Date</b>	<b>Lives</b>	<b>Premiums</b>	<b>Claims</b>	<b>Ratio</b>
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	1157	46,637.00	50,535.00	108.36%
<b>TOTAL</b>	<b>11,536</b>	<b>\$467,456</b>	<b>\$414,165.00</b>	<b>88.6%</b>

**DENTAL CLAIMS- 2012**

<b>Date</b>	<b>Lives</b>	<b>Premiums</b>	<b>Claims</b>	<b>Ratio</b>
Jan 12	1,164	\$48,187.00	\$11,838.00	24.57%
Feb 12	1,159	47,797.00	33,593.00	70.28%
Mar 12	1,160	48,205.00	36,970.00	76.69%
Apr 12	1,158	48,054.00	33,392.00	69.49%
May 12	1,155	47,824.00	56,015.00	117.13%
June 12	1,159	47,856.00	39,045.00	81.59%
July 12	1,137	47,747.00	44,916.00	94.07%
August 12	1,156	46,537.00	57,144.00	122.79%
Sept 12	1,160	48,418.00	37,631.00	77.72%
Oct 12	1,155	47,734.00	52,620.00	110.24%
Nov 12	1,159	47,532.00	39,567.00	83.24%
Dec 12	1,158	47,438.00	36,399.00	76.73%
<b>TOTAL</b>	<b>13,877</b>	<b>\$573,329</b>	<b>\$39,927</b>	<b>83.7%</b>

Tamara reminded the Board that effective January 1, the dental would be moving to self-funded bases and they anticipate it going well.

**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%
<b>TOTAL</b>	<b>8,466</b>	<b>\$57,481.00</b>	<b>\$42,936.00</b>	<b>74.69%</b>

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**VISION INSURANCE - 2012**

<b>Date</b>	<b>Lives</b>	<b>Premium</b>	<b>Claims</b>	<b>Ratio</b>
Jan 12	838	\$ 5,463.00	\$ 1,930.00	35.33%
Feb 12	839	5,825.00	1,049.00	18.01%
Mar 12	834	5,789.00	4,197.00	72.50%
Apr 12	834	5,789.00	5,865.00	101.31%
May 12	834	5,797.00	4,218.00	72.76%
June 12	837	5,814.00	3,450.00	59.34%
July 12	823	5,714.00	3,415.00	59.77%
August 12	837	5,797.00	2,543.00	43.87%
Sept 12	842	5,829.00	3,063.00	52.55%
Oct 12	841	5,815.00	2,666.00	45.85%
Nov 12	841	5,818.00	2,268.00	38.98%
Dec 12	840	5,810.00	3,974.00	68.40%
<b>TOTAL</b>	<b>10,040</b>	<b>\$69,260.00</b>	<b>\$38,638.00</b>	<b>55.72%</b>

**LIFE INSURANCE: 01-01-13 to 11-30-13**

Earned Premiums	\$671,018
Paid Claims	888,750
Change in IBNR	50,000
Change in Reported Reserve	2,875
Total Incurred Claims	941,625
Total Expense & Risk Charges	156,709
<b>BALANCE</b>	<b>(\$427,316)</b>

Tamara reported that Life insurance claims incurred since inception is \$3,607,967 and \$789,771 for other expenses with total premiums of \$3,693,832 giving a net loss of \$793,906. The good news is that Standard has maintained a passing rate.

Darlene Landry asked if you were traveling out of state would the out of state hospitals honor our insurance. Tamara introduced Cabrini Granier who is the new Blue Cross account manager who took Debbie Smith's place. Cabrini explained that Blue Cross has partnerships throughout the U.S. and it would be processed. She said if it is a Blue Cross provider, it would be considered in network.

Tamara then introduced Chrystal Sides with Blue Cross who is a MBA/Registered Nurse who was brought in to be a consultant. Chrystal has been reviewing the claims and trying to develop wellness strategies that would make an impact on claims in 3 to 5 years. She explained about the Quality Blue Primary Care. She said that she plans to meet with the group either annually or semi-annually to review the plan's experience. Chrystal explained that BC is trying to be more proactive than reactive and to move away from fee for service and move more toward fee for outcome. She said they are targeting clinics in Louisiana to work with to help improve health outcomes. She said they currently have about 385 physicians participating and 13 entities that are

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participating. She said that their website indicates which physicians are participating in this program.

Chrystal then presented an overview of the claims for the Clerks' plan from January through October of 2013. She reported that 183 members (11% of participants) represent 40% of the total claims and that 34 members are retired (who remain in the self-funded plan) represents 19% of the total claims. She reported for that same time period \$1,079,255 was spent on hypertension claims and \$994,079 was spent on diabetes. She said that 55% of the members are age 50 or older and 31% between the ages 55- 66 and these are the people that statistically cost a group the most. She informed the Board that the average cost of an ER visit is \$922 while a physician's office visit averages \$199. She said that from January to June there were 144 ER visits and there were members who had 2 to 4 visits to the ER. She further said on half of those ER visits they were not admitted and they could have gone to a physician's office. She said these are things that drive the cost up. She said that it was important to educate the members of these facts

Chrystal said the members are doing well with the generic prescription drugs which equates to a savings of about \$64,000.

She said they she had also reviewed the high spec claimants and one of the large buckets of claims is cancer. She said that 50% of all new cancer cases could be prevented or detected at an earlier stage with regular screenings for: breast, cervical, colorectal and prostate. Again, education to the members on the importance of screening is needed. Additionally, she said there were 9 members with chronic heart disease and \$713,000 was spent in claims through September on circulatory system diseases. Again, these can be helped by early detection, prevention and treatment.

She briefly discussed BCBS partnership with Catapult for screening at the employer work level. She also discussed the "My Health, My Way Wellness Portal" that helps to raise awareness among employees.

Chrystal said with the new pro-active case management that Blue Cross has initiated, they have 97.5% member satisfaction. She said they would work toward marketing info to the member to let them know what to expect.

Chrystal discussed the new Compound Drug process in which all compound drug claims in excess of \$250 will automatically be denied, but the members have the right to appeal. She said this is a huge opportunity to save the fund a lot of money. She said that our plan had 44 compound drug claims but only 13 were over \$250. She said the 13 claims cost \$35,776 and the other 31 cost \$36,579.

**HEALTH ADVOCACY:** There was discussion as to whether or not the utilization of Health Advocacy program was economically feasible. Mark said he had used them and

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they were very professional. Tamara said that she was a great believer in what they do. After much discussion, Holli Vining moved to discontinue the Health Advocacy Program EFFECTIVE January 1, 2014. Motion seconded by Cliff Dressel. **MOTION CARRIED.**

**RENEWALS:**

Tamara reported that the renewals had been going smoothly. Tamara reported that the retiree's health insurance program with United Health Care continues to work well and they receive very few calls from the retirees.

**EXECUTIVE DIRECTOR**

**Audit Proposal** – Debbie presented the proposal the 2013 audit from Thomas Howell Ferguson in the amount of \$11,600. Motion was made by Mark Graffeo to approve the proposal. Motion seconded by Bill Hodge. **MOTION CARRIED.**

**Blue Cross Contract**

Debbie informed the Board that she and Sheri Morris had met with Cabrini Granier and the attorney with Blue Cross and that Tamara had participated by phone to try to finalize the contract. There were still a few issues to be worked out, but hoped to have that accomplished soon.

**BUDGET: (Attached)**

Mark presented a proposed amendment to the 2013 Budget which was only adding the COBRA premiums received of \$33,500 and COBRA premiums paid out of \$33,500 because there is no way to calculate those numbers. The only other amendment was \$1,641 that had to be paid for the PCORI fee which is a new fee by the federal government and was not known at the time the 2013 Budget was prepared. Bill Hodge moved that the 2013 Budget amendments be adopted. Motion was seconded by Steve Andrews. **MOTION CARRIED.**

Mark then presented a proposed 2014 Budget. He asked that the Board approve the proposed budget deleting the \$15,000 for Health Advocacy because they had just voted to discontinue it and then to add the PCORI fee back into the Budget. The fee is \$2.00 per member and they had just learned from Tamara last night that it did have to be paid out of the Administrative expenses. Debbie also pointed out that the storage rental expense had been removed from the Budget. Darlene Landry moved that the 2014 Budget be approved. Motion seconded by Bill Hodge. **MOTION CARRIED.**

Holli Vining mentioned that she had run across a program called the Tell-A-Doc program that sounded interesting. Tamara said that Willis offers it to their employees and that it is a telephonic opportunity to talk to a medical practitioner about certain illnesses. They can prescribe medication and you can have face time with the practitioner to receive care for certain illnesses quickly and it cost less because you don't have the overhead. If you contact them you have to complete HIPPA forms and medical information, but then you can be diagnosed and receive treatment over the

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phone. It sounds successful but there is a short list of treatable illnesses. Tamara said she would bring more information to the next Board meeting.

**COMMENTS BY BOARD MEMBERS:**

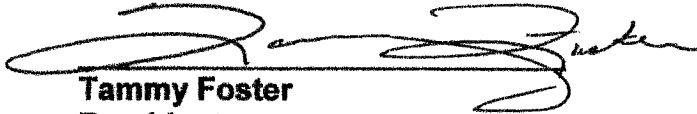
Bill Hodge thanked Louie for his hospitality in welcoming the Clerks to Natchitoches.

Steve Andrews said that he could not say enough about Tamara and the staff at Hunt Insurance on how much help they had been to him.

There being no further business, Cliff Dressel moved that the meeting be adjourned. Motion seconded by Darlene Landry. **Motion carried.**

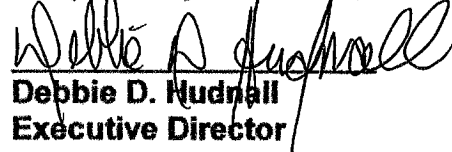
**Meeting adjourned.**

**APPROVED:**



**Tammy Foster  
President**

**Respectfully submitted,**



**Debbie D. Hudnall  
Executive Director**



**Louisiana Clerks of Court Insurance Trust**  
**Annual Budget (in whole dollars)**  
**For calendar years 2014 and 2013**

	Actual Budget Calendar Year 2013	Budget Adjustments Calendar Year 2013	Proposed Budget Calendar Year 2013	Difference Amended Budget 2013 and Proposed Budget 2014	Notes	Proposed Budget Calendar Year 2014
<b>REVENUES</b>						
Administrative Fees	105,000		105,000	0	1	105,000
COBRA Premiums		33,500	33,500	(33,500)		0
Interest						
Claim Refunds						
<b>Total Income</b>	<b>105,000</b>	<b>33,500</b>	<b>138,500</b>	<b>(33,500)</b>		<b>105,000</b>
<b>EXPENSES</b>						
Bank Fees	100	0	100	0		100
Fiduciary/Bonds/Insurance	1,000	0	1,000	0		1,000
Health Advocate	15,000	0	15,000	(45,000)	6	0
COBRA Premiums	0	33,500	33,500	(33,500)		0
Legal Fees	4,200	0	4,200	0		4,200
Meeting	7,000	0	7,000	0		7,000
Membership Dues	500	0	500	0		500
Miscellaneous	400	0	400	0		400
Office Supplies	600	0	600	0		600
Other Professional Fees	6,000	0	6,000	0	2	6,000
PCORI Fee	0	1,641	1,641	1,659	3	3,300
Reimbursement to Assn. (\$4,200 per month)	50,400	0	50,400	0		50,400
Rent (non-cash)	0	4,600	4,600	6,060	4	10,660
Storage Rental	1,450	0	1,450	(1,450)	5	0
Travel/Per Diem	5,000	0	5,000	0		5,000
<b>Total Expenses</b>	<b>91,650</b>	<b>39,741</b>	<b>131,391</b>	<b>(42,231)</b>		<b>89,160</b>
<b>Net Income</b>	<b>13,350</b>	<b>(6,241)</b>	<b>7,109</b>	<b>8,731</b>		<b>15,840</b>

**Notes**

- 1 Administration Fees reflect \$7.00 per member per month in 2013
- 2 Actuary report fee from L & E Actuaries
- 3 PCORI Fee must be paid by Clerks Insurance. Fee is \$2.
- 4 Rent (non-cash) is amortized for approximately 8 years, full year in 2014
- 5 Storage Rental was canceled November 2013