

APPROVED MINUTES

LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING
MARCH 7, 2012
9:00 AM
BATON ROUGE, LOUISIANA

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Wednesday, March 7, 2012, Baton Rouge, Louisiana.

The meeting was called to order by Chairman Mark Graffeo who then asked Holli Vining to give the invocation. ElRay Lemoine then led the Pledge of Allegiance.

MEMBERS PRESENT:

Chairman Mark Graffeo
Tammy Foster
Jim Martin
Felicia Ann Hendl
Vernon Rodrigue
Diane Meaux Broussard
Holli Vining
Kay Bolding
ElRay Lemoine
Cliff Dressel
Louie Bernard

Also present:

Debbie Hudnall, Executive Director
Tamara Tretter with Hunt Insurance Group

APPROVAL OF MINUTES

Cliff Dressel moved to accept the minutes of the meeting of December 8, 2011, as presented. Motion seconded by Jim Martin. **Motion carried.**

COMMENTS BY PRESIDENT

President Mark Graffeo thanked the Board for serving the past year. He said that it had been his pleasure to serve as President and he hoped things would continue to improve in the future.

FINANCIALS: (Report on file in office) Treasurer Jim Martin presented the financial reports for Insurance operations fund for November and December 2011, and January 2012.

| | | |
|-------------------|--------------------|---------------|
| Nov. 2011- | Total Assets: | \$ 285,578.52 |
| | Monthly Revenue | 11,302.86 |
| | Monthly Expenses | (5,887.20) |
| | Monthly Net Income | \$ 5,415.66 |

| | | |
|-------------------|--------------------|---------------|
| Dec. 2011- | Total Assets: | \$ 288,972.67 |
| | Monthly Revenue | 11,328.39 |
| | Monthly Expenses | (7,934.24) |
| | Monthly Net Income | \$ 3,394.15 |

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| | | |
|-------------------|--------------------|---------------------|
| Jan. 2012- | Total Assets: | \$ 290,318.90 |
| | Monthly Revenue | 8,823.23 |
| | Monthly Expenses | (<u>7,477.00</u>) |
| | Monthly Net Income | \$ 1,346.23 |

Tammy Foster moved that the Financial Statements be received. Motion seconded by Felicia Ann Hendl. **Motion carried.**

ADMINISTRATORS' REPORT: (Report on file in office)

Financial Reports: Tamara Tretter gave the financial reports for the Insurance Trust for the period ending November and December 2011, and January 2012.

Nov. 2011 Statement of Net Assets

| | |
|-------------------|-------------------|
| Total Assets | \$ 2,620,549 |
| Total Liabilities | <u>\$ 353,974</u> |
| Net Assets | \$ 2,266,575 |

Cash Analysis (as of Nov 2011)

| | |
|-----------------------|----------------------|
| Annual Funds Received | \$ 12,470,700 |
| Annual Total Expenses | <u>\$ 11,750,712</u> |
| Cash Balance | \$ 1,578,310 |

Dec. 2011 Statement of Net Assets

| | |
|-------------------|-------------------|
| Total Assets | \$ 2,535,631 |
| Total Liabilities | <u>\$ 191,390</u> |
| Net Assets | \$ 2,344,241 |

Cash Analysis (as of Dec 2011)

| | |
|-----------------------|----------------------|
| Annual Funds Received | \$ 13,561,740 |
| Annual Total Expenses | <u>\$ 12,887,444</u> |
| Cash Balance | \$ 1,532,618 |

Jan 2012 Statement of Net Assets

| | |
|-------------------|-------------------|
| Total Assets | \$ 2,442,146 |
| Total Liabilities | <u>\$ 246,990</u> |
| Net Assets | \$ 2,195,156 |

Cash Analysis (as of Jan 2012)

| | |
|-----------------------|---------------------|
| Annual Funds Received | \$ 1,046,089 |
| Annual Total Expenses | <u>\$ 1,336,725</u> |
| Cash Balance | \$ 1,241,981 |

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Investments: Tamara reported the market value of the investments as of January 31, 2012 was \$909,134.

CLAIMS EXPERIENCE: The claims experience for 2010, 2011 and 2012 are as follows:

CLAIMS EXPERIENCE - 2011

| Month | Prescriptions | Medical | Monthly Totals | Aggregate |
|----------|---------------|-------------|----------------|-------------|
| Jan 11 | \$91,601 | \$404,459 | \$496,060 | \$496,060 |
| Feb 11 | \$74,933 | \$463,485 | \$538,418 | \$1,034,478 |
| Mar 11 | \$81,666 | \$343,467 | \$425,133 | \$1,459,611 |
| April 11 | \$106,519 | \$540,370 | \$646,889 | \$2,106,500 |
| May 11 | \$102,674 | \$652,095 | \$754,769 | \$2,861,269 |
| June 11 | \$105,782 | \$435,735 | \$541,517 | \$3,402,786 |
| July 11 | \$114,390 | \$577,815 | \$692,205 | \$4,094,991 |
| Aug 11 | \$119,145 | \$1,386,671 | \$1,505,816 | \$4,845,451 |
| Sep 11 | \$150,117 | \$792,358 | \$942,475 | \$5,784,293 |
| Oct 11 | \$133,165 | \$542,501 | \$675,666 | \$6,429,784 |
| Nov 11 | \$138,162 | \$520,434 | \$658,596 | \$7,043,619 |
| Dec 11 | \$151,624 | \$681,499 | \$833,123 | \$7,798,479 |

CLAIMS EXPERIENCE - 2012

| Month | Prescriptions | Medical | Monthly Totals | Aggregate |
|--------|---------------|-----------|----------------|-----------|
| Jan 12 | \$92,748 | \$754,194 | \$846,942 | \$846,942 |

Tamara reported total claims paid for 2011 were \$7,798,479 in comparison to the aggregate attachment point of \$9,610,556. She further reported there were no potential specific claimants as of January 1, 2012, however claims paid in January 2012, were significantly higher than those paid in January 2011.

There was a discussion of a proposal by Prescription Care management that had contacted Diane Broussard. The Board decided to take no action at this time.

BLUE CROSS/BLUE SHIELD

Debbie Smith, Mike Saylor and Bernie Kendrick made brief remarks to the Board. Debbie Smith addressed the issue of one the members that had filed an appeal on a claim that was denied. She said they had denied the claim based on the language in the plan document. She said once it was appealed they contacted their attorney and then decided to pay the claim. She said they were simply trying to be good stewards of the Clerks' money and wanted to make sure they did not place the Insurance Trust in conflict with the re-insurer. They suggested that maybe our attorney could work on some language for the plan document that could be submitted and they would work toward the compliance issues between administrative and external appeals.

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SCRIPT CARE (Report on file in office)

Jim Brown, CEO, and Don Hardman with Script Care presented a plan overview and plan analysis for prescription coverage for 2011. They also presented different options for possible savings in prescription cost such as varied co-pays for particular prescriptions and identifying drugs that have viable generic alternatives.

OPTION 1

Total cost to plan - \$512,673
Option 1 – generic utilization 74.42%
Plan cost increased 47%
Prescription volume increased 34.3%
Enrollment increased 228 members
Prescriptions per member per month – flat
Avg. total cost was \$80.33 PMPM
Highest Drug Cost ages 50-59

OPTION 2

Total cost to plan - was \$818,874
Option 2 – generic utilization 70.87%
Plan cost decreased 9.1%
Prescription volume decreased 8.9%
Enrollment decreased 25.9%
Utilizing members increased from 85.5% to 88.8%
Highest Drug Cost ages 50-59

They reported that the ERRP funds had been depleted but a report had been released that if your claims had been filed, if any new funds became available they claims would be paid. He also stated that the Feds would be auditing how those funds were spent. Tamara said that our funds were all in proper order.

Jim Martin asked how we would proceed in considering some of the cost savings options. Script Care said they could run projections based on the 2011 usage so the Clerks could make those changes for 2013. All of these projections would be at no cost to the Clerks. Tamara said they could also send out fliers on some of the savings the members could have by their careful utilization of specialty drugs.

PARTICIPANTS

Tamara gave a recap of the number of participants as of February 23rd in all of the different types of coverage that is offered by the Trust.

DENTAL INSURANCE

| Date | Lives | Premiums | Claims | Ratio |
|--------------|---------------|---------------------|---------------------|---------------|
| Jan 11 | 1,163 | \$47,193.00 | \$42,318.00 | 89.67% |
| Feb 11 | 1,167 | 47,272.00 | 38,930.00 | 82.35% |
| Mar 11 | 1,150 | 46,630.00 | 46,017.00 | 98.69% |
| Apr 11 | 1,150 | 46,569.00 | 34,769.00 | 74.66% |
| May 11 | 1,154 | 46,636.00 | 40,569.00 | 86.99% |
| June 11 | 1,154 | 46,724.00 | 44,867.00 | 96.03% |
| July 11 | 1,156 | 46,716.00 | 37,358.00 | 79.97% |
| Aug 11 | 1,152 | 46,568.00 | 47,410.00 | 101.81% |
| Sept 11 | 1,152 | 46,656.00 | 43,060.00 | 92.29% |
| Oct 11 | 1,153 | 46,574.00 | 37,508.00 | 80.53% |
| Nov 11 | 1,150 | 46,622.00 | 44,636.00 | 95.74% |
| Dec 11 | 1,152 | 46,669.00 | 39,339.00 | 84.29% |
| TOTAL | 13,853 | \$560,829.00 | \$496,781.00 | 88.59% |

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| Paid Claims | Claims Paid | % of Claims Paid | Unique Claims | DDIC % |
|----------------------|--------------------|-------------------------|----------------------|---------------|
| Delta Dental PPO | \$3,850.80 | 32.5% | 32 | 43.3% |
| Delta Dental Premier | \$4,489.80 | 37.9% | 28 | 36.6% |
| Non-Delta Dental | \$3,497.00 | 29.5% | 29 | 20.1% |
| | | | | |
| TOTALS | \$11,837.60 | | 89 | |

VISION INSURANCE - 2011

| Date | Lives | Premium | Claims | Ratio |
|--------------|--------------|--------------------|--------------------|---------------|
| Jan 11 | 787 | \$ 5,428.00 | \$ 2,840.00 | 52.32% |
| Feb 11 | 792 | 5,462.00 | 2,612.00 | 47.82% |
| Mar 11 | 793 | 5,466.00 | 6,687.00 | 122.34% |
| April 11 | 795 | 5,480.00 | 9,905.00 | 180.75% |
| May 11 | 797 | 5,483.00 | 5,306.00 | 96.77% |
| June 11 | 800 | 5,509.00 | 3,258.00 | 59.14% |
| July 11 | 806 | 5,519.00 | 5,431.00 | 98.41% |
| August 11 | 804 | 5,505.00 | 7,580.00 | 137.69% |
| Sept 11 | 805 | 5,511.00 | 252.00 | 4.57% |
| Oct 11 | 807 | 5,545.00 | 4,986.00 | 89.92% |
| Nov 11 | 806 | 5,519.00 | 2,991.00 | 54.19% |
| Dec 11 | 806 | 5,522.00 | 4,483.00 | 81.18% |
| TOTAL | 9,598 | \$66,949.00 | \$56,331.00 | 85.43% |

VISION INSURANCE - 2012

| Date | Lives | Premium | Claims | Ratio |
|-------------|--------------|----------------|---------------|--------------|
| Jan 12 | 838 | \$ 5,463.00 | \$ 1,930.00 | 35.33% |

LIFE INSURANCE:

July 1, 2008 to December 31, 2011

| | |
|------------------------------|------------------|
| Earned Premiums | \$ 2,297,893 |
| Paid Claims | \$1,658,500 |
| Change in IBNR | \$153,795 |
| Total Incurred Claims | \$ 1,812,295 |
| Total Expense & Risk Charges | \$ 442,396 |
| BALANCE | \$ 43,202 |

Tamara reported that as requested by the Board, she had inquired to Wellness Programs. She reported that Quest Diagnostic, who is a National company that has 189 labs throughout the state, perform biometric screenings. Tamara reported that the advantage in using Quest Diagnostic most of the screenings could be done on the local level on their own schedule. The cost would be \$65 per person and she would recommend that all members be included. She said the Board may even want to consider for the upcoming renewal is to mandate biometric screenings and health risk assessments. She said that as an employee of Willis she has to have the biometric screening and health risk assessment in order to get the money for her HRA. She also receives other incentives if she completes the screening.

REPORT OF THE EXECUTIVE DIRECTOR

Debbie presented to the Board a proposal for actuarial services from L&E Actuaries & Consultants in an amount not to exceed \$5,500. Motion was made by Tammy Foster to approve the Actuarial proposal. Motion seconded by Diane Broussard.

Motion carried.

OTHER BUSINESS:

Mark informed the Board that the Association Board had directed him to appoint a Site Selection Committee to look into the possibility of securing a different office location for the Association, Retirement and Insurance Trust. He said that this was something that had been discussed by the Strategic Planning Committee for the past two years. He wanted to make them aware of the discussion because it could be that some of the resources of the Insurance Trust may be needed.


COMMENTS BY BOARD MEMBERS:

Vernon Rodrigue and others thanked President Mark Graffeo for his job as President.

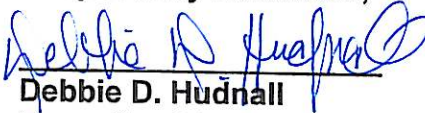
There being no further business, Kay Bolding moved that the meeting be adjourned. Motion seconded by ElRay Lemoine and Felicia Ann Hendl. **Motion carried.**

Meeting adjourned.

APPROVED:


Mark Graffeo
Chairman

Respectfully submitted,


Debbie D. Hudnall
Executive Director