

**LOUISIANA CLERKS OF COURT INSURANCE TRUST
BOARD OF TRUSTEES MEETING
THURSDAY, AUGUST 6, 2009
BOSSIER CITY, LOUISIANA**

A meeting of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Thursday, August 6, 2009, at 9:00 A.M. in Bossier City, Louisiana.

The meeting was called to order by Chairman Louie Bernard who then asked Carolyn Ryland to give the invocation. Jim Martin then led the Pledge of Allegiance.

MEMBERS PRESENT: Chairman Louie Bernard, Mark Graffeo, Bill Hodge, Felicia Ann Hendl, Dot Lundin, Jim Martin, Kay Bolding, Carolyn Ryland, ElRay Lemoine, Michael Thibodeaux, and John Dahmer. Also present: Debbie Hudnall, Executive Director; Tamara Tretter with Hunt Insurance Group; and Randy Zinna, Attorney. Guests present: Darlene Landry.

COMMENTS BY PRESIDENT: Chairman Bernard thanked everyone for their attendance. He advised the Board that it had always been the practice to pay the expenses of the retiree member of the Retirement Board, but the expenses of the retiree member of the Insurance Trust had never been paid. He suggested that the Board might consider this because he thought it may have been simply overlooked in the past.

Motion was made by Jim Martin that the expenses of the retiree member of the Insurance Trust be paid. Motion seconded by Mark Graffeo. **Motion carried.**

The chairman asked Tamara to give her thumbnail view of how she thought that national health care reform would impact the Trust and the insurance it provides to its members. Tamara stated that from Willis' prospective at this time, that there was not very much support for reform.

APPROVAL OF MINUTES: Carolyn Ryland moved to accept the minutes of the previous meeting as written, motion seconded by Bill Hodge. **Motion carried.**

FINANCIAL REPORT: (Report on file in office) Bill Hodge reviewed the financial reports covering the period of April, May and June:

April Total Assets:	\$292,279.51
Monthly Revenue	11,786.01
Monthly Expenses	(7,687.50)
Monthly Net Income	\$ 4,098.51

May Total Assets:	\$297,669.76
Monthly Revenue	47.25
Monthly Expenses	(6,577.39)
Monthly Net Loss	(\$ 5,697.75)

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Debbie asked the Board to strike through the June reports in the book and to refer to the two loose sheets in the book that would be a corrected June report.

June Total Assets:	\$114,518.56
Monthly Revenue	(\$126,375.51)
Monthly Expenses	<u>(1,664.06)</u>
Monthly Net Loss	(\$128,039.57)

Debbie explained that because the fund is based on accrual accounting the \$138,852.42 that was received for the Medicare Part D in this fiscal year was actually for a prior fiscal year and the auditors require that an adjusting journal entry be made to reflect the actual year; therefore causing a large negative amount to be shown for the month of June.

Bill reported that for the twelve months ending June 30, 2009

Total Revenue	\$170,406.23
Total Expenses	<u>(102,900.12)</u>
Net Income	\$ 88,521.43

John Dahmer moved that the financial reports be received. Motion seconded by Michael Thibodeaux. **Motion carried.**

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

Tamara Tretter gave the financial reports for the Insurance Trust for the month of June 2009. She reported total Assets of \$2,091,831 with liabilities of \$1,698,818 showing Net Assets of \$393,013. The Cash Analysis Report as of June 30, 2009, showed ending bank balance of \$1,403,974.04.

Claims Experience: (Report on file in office) Tamara reported a total of 1068 employee members with 2087 total enrolled in the plan. Tamara reviewed the claims paid report. She reported that total claims paid through June 2009 were \$7,018,609. She informed the Board that for the fiscal year ending June 30, the Trust is spending approximately \$502.03 per employee per month in claims and about 13% of total claims dollars are spent on prescription drugs. The PEPM had increased from \$404.89 the prior year which represented a 24% increase, but the prescriptions costs represented a decrease of 35% from the previous 12 month period. It was reported that the use of generic drugs over brand drugs continue to be very good. She informed the Board that they plan to go out on bids on prescriptions for even deeper discounts.

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Tamara reported that 5 members had gone over the stop loss during the last plan year and 7 had met the stop loss deductible for this plan year so far. Tamara pointed out the comparison of claims of Option 1 and Option 2 for July 08 to December 08.

	Medical	Prescription
Option 1	\$868,848	\$ 62,800
Option 2	\$713,752	\$415,746

Debbie reported to the Board that the largest number of complaints she receives is from the retirees on the Aetna Medicare Advantage because of the providers. She informed the Board that initially it was thought that it would be an advantage for the retirees that providers did not have to enter into a contract with Aetna in order for them to be covered because there is no network. However, some providers are refusing to accept the Medicare Advantage Plan because they don't have a contract and they are afraid Aetna will change the amount that they will pay. Aetna said they will try to work on a letter of agreement with those providers or work on it on a case by case basis.

Debbie informed the Board that they did not receive the retiree's insurance bills timely for July due to the increase in the dental plan. When it was received, it was discovered that Hunt or Aetna had improperly billed 2 retirees for 6 months and they were then billing those retirees for the 6 month correction. She had asked Aetna or Hunt to pay those amounts since it was their mistake, but was informed they were not allowed to, therefore Debbie took it upon herself to have the Trust pay it for them since the retirees are on a small fixed income.

John Norris and Vernon Rodrigue joined the meeting at this time.

John Dahmer asked if there was an investment policy for the Trust and Mark Graffeo said he would send him a copy of the investment report.

Louie asked the Board members if they were receiving any complaints about the insurance program. Felicia Hendl said that she had received a call wanting to know if the Board was going out for bids for the new year. It was related that the Board receives proposals for each renewal. Kay Bolding reported that she had received a complaint about a spouse becoming sick out of state and the insurance only paid out of the area coverage. Louie informed the Board that if their districts had questions to please have them contact Debbie or Hunt Insurance or someone that can explain the issues. Debbie reported that she wasn't receiving complaints about the Blue Cross network, but the complaints she received on the self-funded plans were about the high deductible. Those complaints are coming from those that chose the high deductible and the clerk did not provide a health savings plan.

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Debbie reported receiving comments that some want to switch from Option 1 to Option 2. Tamara informed the Board that she would be sending out a survey to determine how many would possibly change back to Option 2.

Tamara suggested to the Board that rather than looking at plan changes they might want to look at some wellness initiatives to reduce claims rather than decrease deductibles. She suggested using a company from Texas by the name of "Health Yes". This company would travel from parish to parish for health screening, targeting those over age 40, which includes the state of the art ultra-sound testing and would cost about \$160.00 per person and would be paid from the Trust. After discussion, Mark Graffeo moved that Tamara obtain additional information and report at the next Board meeting. Motion seconded by Carolyn Ryland.

Motion carried.

Dental Insurance: Tamara reported that Standard is working to improve the dental network because the network is not as strong as she had hoped it would be. She informed the Board that for the fiscal year ending June 30, 2009, the total premiums paid were \$442,579 and claims of \$447,775.00, making the plan at a 107% loss ratio.

Life Insurance Claims: Tamara reported that Life premiums paid through June 30, 2009, were \$636,376 with total claims and expenses incurred of \$831,079 leaving a negative balance of \$194,703. Debbie reported that she had received a "Request for Group Insurance Amendment" from Standard which provided to remove the Secure Access Checking Account provision from the Method of Payment Section, and she wanted to know if that was the wishes of the Board. After discussion, she was instructed not to sign the amendment.

Tamara briefly mentioned the introduction of the new "Willis Rewards" which allows members exclusive discounts with certain retailers.

Louie commended everyone for sticking together in the insurance plan because there is always the potential fragmentation in group plans where there are always ups and downs. He felt that the Trust had been well served by everyone agreeing with the concept and remaining together.

INSURANCE RENEWALS: Louie informed the Board that an Insurance Board meeting would have to be held in October in Baton Rouge to discuss the renewals and that a meeting notice would be going out as soon as possible.

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COMMENTS BY ATTORNEY: Randy Zinna reported that the Trust had funded \$300,000 of the \$475,000 in the Jefferson Parish litigation, but he was still working to get monies that FARA should be responsible for. He hopes to have more information at the October meeting.

Subrogations: Dorothy Lawson – Randy informed the Board that we had received a check on this one but had instructed Debbie not to deposit it at this time because he did not feel it was sufficient. He would try to get this one nailed down this month.

Sherrie Poiencox – Randy reported that this was a small amount and he had informed the attorney that he was ok on this one, but we had not received a check.

Debbie reported that she had just received another subrogation claim that she was trying to receive the numbers from FARA as to how much they had paid out.

REPORT OF EXECUTIVE DIRECTOR: Debbie reported that she had just received information from the actuary, Bonnie Albritton, that the preliminary number that the Trust would receive from the Medicare Part D is \$140,000. This should be received within the next couple of months. Additionally, the question had come up whether or not to allow changes in the employer's contribution amount during the plan year. Jim Martin moved that the employer contributing amount should be set only at the beginning of the plan year. Motion seconded by Mark Graffeo. **Motion carried.**

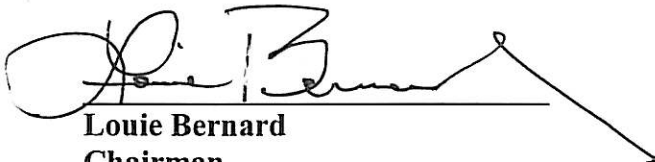
There was also discussion whether or not a clerk's office could withdraw their retirees from the Aenta Medicare Advantage Plan except at renewal. Randy would review and report at the next Board meeting.

Other Business: John Dahmer stated that he felt the Willis Group is incorrect when they state that nothing will happen with the National Health Care and encouraged the Willis Group to continue to participate in the reform.

Motion was made by ElRay Lemoine to adjourn. Motion seconded by Carolyn Ryland.

Meeting adjourned.

APPROVED:


Louie Bernard
Chairman

Respectfully submitted,


Debbie D. Hudnall
Executive Director