

## **APPROVED MINUTES**

### **LOUISIANA CLERKS OF COURT INSURANCE TRUST BOARD OF TRUSTEES CONFERENCE CALL OCTOBER 28, 2019 1:00 PM**

A conference call of the Board of Trustees of the Louisiana Clerks of Court Insurance Trust was held on Monday, October 28, 2019.

The call was called to order by President Brian Lestage.

#### **MEMBERS PRESENT:**

President Brian Lestage	Amy Patin
Rick Arceneaux	Steve Andrews
Darlene Landry	Dot Lundin
Susan Racca	Debbie Hudnall, Executive Director
Randy Deshotel	
Randy Briggs	

**ALSO PRESENT:** Kim Breard, Ron LaBorde, Lana Labourdette with Gallagher Insurance and Chris Kershaw and Dagmar Hebert.

#### **BLUE CROSS/BLUE SHIELD (BCBS) Administrative Fee**

Ron LaBorde began the presentation of the 2020 renewals noting that the Trust year-to-date is running right at budget. He explained that in order to fund the medical plan for 2020 there was an original projection of a 12.8% increase. He noted that with adjustments to the stop loss and plan design that increase has been narrowed to 6.1%.

BCBS has provided a consolidated administrative fee for Option 1 and Option 2 in the amount of \$4.88, which includes a pharmacy rebate credit of \$27.50. BCBS no longer provides an admin credit in addition to the percentage rebate as the plan currently has for 2019. This administrative rate is embedded in the medical premium rate.

#### **STOP LOSS – Reinsurance**

Ron presented the renewal for the stop loss coverage with Excess Re. If the same specific deductible of \$180,000 and aggregate specific deductible of \$475,000 are maintained for 2020, there would be an increase of about 4.54% or approximately \$25,022 in premium fixed cost. Gallagher recommends increasing the specific deductible to \$200,000, maintaining the aggregate and continuing the paid contract with Excess Re. The results of this change would be a savings of approximately \$81,074 in premium fixed costs. The Trust would assume an acceptable amount of additional risk by increasing the specific deductible.

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**Plan Decrements (Design Changes)**

Gallagher recommends the following plan design changes to the deductibles and out of pockets:

	Plan	Current	Proposed
	<b>PPO</b>		
In Network	Deductible Ind   FAM	\$750   \$2,000	\$1,000   \$3,000
	OOP Max Ind   Fam	\$3,000   \$6,000	\$3,500   \$7,000
	<b>HDHP</b>		
In Network	Deductible Ind   FAM	\$1,500   \$3,000	\$1,700   \$3,400
	OOP Max Ind   Fam	\$4,000   \$8,000	\$4,500   \$9,000
Out of Network	Deductible Ind   FAM	\$1,500   \$3,000	\$2,000   \$4,000
	OOP Max Ind   Fam	No Change	No Change

The above plan decrements would attribute an approximate savings to the Trust of \$353,465 annually.

Ron then reviewed how the incurred claims projection, including medical/pharmacy claims, stop loss coverage and administrative fees, was calculated to derive the 6.1% increase.

**Medical Rates**

Gallagher then provided the proposed rates for 2020 including the 6.1% rounded increase.

	Option 1 HDHP	Option 2 PPO
Employee	\$530.00	\$690.00
Employee + Spouse	\$1,060.00	\$1,380.00
Employee + Children	\$955.00	\$1,240.00
Employee + Family	\$1,590.00	\$1,220.00

**VISION**

Gallagher stated that The Standard had a flat renewal for 2020 maintaining the same rates. There was one option presented by BCBSLA/Davis Vision, however, Gallagher recommended to maintain the current vision carrier and rates for 2020 due to the rate hold and the savings presented by the alternate option were not significant.

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**DENTAL**

Ron reviewed the dental projection from Delta Dental with a projected decrease in claims expected for 2020 and thus a recommendation to maintain the dental rates the same for 2020 with the Delta Dental network.

**RETIREE MEDICARE & PART D**

Lana Labourdette presented the renewal rates from the current providers UHC/AARP and AETNA Rx. UHC/AARP is an individual plan and rates vary for each retiree. Lana provided a composite estimate of \$200.05 per retiree. AETNA Rx original rate for renewal was \$205.63 but however was subsequently revised to be \$163.62.

Lana reminded the Board that the Trust is currently subsidizing \$20 of the AETNA Rx premium for all retirees. She also noted that health care reform has required that the HIF (Health Insurer Fee), which was not included in the 2019 rate, but must be included for 2020.

Lana then presented an alternate option with an United Healthcare (UHC) Advantage Plan. This plan is a national passive PPO plan with both Medicare and the UHC Network. This plan is approved by CMS and allows for more competitive pricing. This plan allows for the same benefits in and out of network plus additional benefits including Silver Sneakers & Housecalls. Lana confirmed there would be no balance billing for out of network if provider accepts Medicare. The retirees would have one ID card that takes the place of their Medicare Card, Supplement Card and RX Card. The retirees would all have the same health insurance rate for 2020 of \$213.61. UHC has provided a 2-year rate cap to \$244.99. The projected savings will be approximately 45% or \$687,983 in 2020. Lana explained that the Trust would no longer have to subsidize the retiree's premium.

Lana reminded the Board members that in 2020 Plan F would no longer be offered to new retirees turning 65 and that Plan G was the best alternative having the retiree responsible for their Part B deductible. By offering the recommended option with UHC, all retirees would be on the same plan.

Kim Breard then reviewed the impact for the change from the AENTA RX to the UHC Advantage Plan. The UHC plan has the same co-pays and management of the plan as the current AETNA plan including step therapy, prior authorizations and quantity limits. However, there are approximately 109 prescriptions with 45 unique members that would be affected by this change. Ron stated that this is considered minimal disruption. There was further discussion as to how those affected members will be informed in advance of the implementation.

Lana provided an overview UHC's agreement to provide several on-site educational meetings as well as phone conferences with the retirees. UHC is offering major assistance with the educational and communication aspects of implementing this

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change. Steve Andrews noted that he wants to make sure the retirees are taken care of and satisfied. Randy Briggs stated that no retiree should experience an interruption of service or gap in coverage. Dot Lundin said that it would be extremely important to notify the retirees affected by the Rx changes. Both Lana and Kim further explained their additional research on the plan and how several colleagues had moved other larger plans to this coverage and were very pleased.

**LIFE & DISABILITY (The Standard)**

Ron continued with a renewal rate annual decrease for the basic life coverage of -2.13%. The other life product rates will remain the same. The Employer Paid Short Term Disability (STD) rate will remain the same while the Employer Paid Long Term Disability (LTD) will receive a decrease of approximately -9.52% annually. The Employee (Voluntary) STD and LTD rates will remain the same. Lana explained that The Hartford provided a competitive bid and would like to pursue the Trust's business. Gallagher's recommendation is to maintain the Life and Disability coverages with The Standard for 2020 but to start working early 2020 with other providers for more creative/competitive contracts and rates.

Ron then reviewed each decision item:

- Medical Rates with a 6.1% increase
- Increase in Admin Fees and change Pharmacy credit in lieu of rebate
- Stop Loss: Increase specific deductible to \$200,000, maintain aggregate
- Plan Design changes for In-Network and Out of Network Deductibles and Out of Pocket
- Maintain Vision Rates with The Standard
- Maintain Dental Rates with Delta Dental
- Move Medicare Retirees to United Health Care Medicare Advantage Plus PPO Plan
- Maintain Life and Disability with The Standard with rate reductions on Basic Life and Employer Paid LTD.

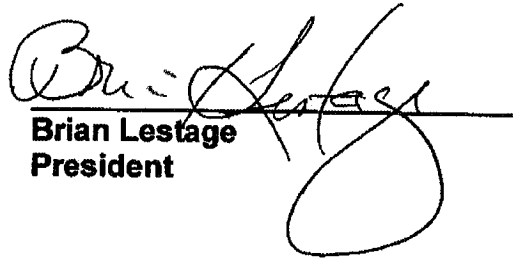
After discussion, a motion was made by Steve Andrews to approve the 2020 Renewal Recommendations as presented by Gallagher. The motion was seconded by Randy Briggs. **MOTION CARRIED.**

Lana then reviewed the projected timeline for the open enrollment process. She noted that it would be considered a passive enrollment, so if a member is making no changes, then nothing must be submitted. She also noted that the survey for information sent to the Clerks will be presented in the form of an excel spreadsheet.

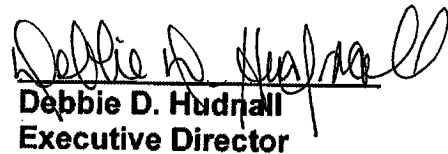
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There being no further business, the conference call ended.

**APPROVED:**

  
**Brian Lestage**  
**President**

**Respectfully submitted,**

  
**Debbie D. Hudnall**  
**Executive Director**