

**FRANKLIN-ESSEX-HAMILTON SCHOOL DISTRICTS'  
HEALTH INSURANCE CONSORTIUM**

**JOINT GOVERNING BOARD MEETING**

- DATE:** September 15, 2011
- LOCATION:** North Franklin Educational Center
- KIND OF MEETING:** Regular
- MEMBERS PRESENT:** Dale Breault, Daniel Bower, Jane Collins (entered 10:15 AM), Angela DeBeer, Thomas Dodd, Nicole Dumas, Patricia Godreau-Sexton, Keith Hazen, Paul Jadlos, Garry Lanthier, Mary Moore, Beverly Ouderkirk (entered 9:22 AM), Nick Pepe, Leonard Sauers, Pamela Savard, Stephen Shafer, Dan Tusa, Timothy Whipple
- MEMBERS ABSENT:** None
- OTHERS PRESENT:** Stephanie Bannon, Secretary  
Patrick Calnon, Plan Coordinator  
Michael Cocco – NYSUT Representative  
Patrick Cowburn, KBM Account Representative  
Loren Fontaine – NYSUT Representative  
Kelly Hardison, Caremark Representative  
Scott Iannuccilli – Caremark Representative  
Joanne Heredia, FEH BOCES Representative  
Megan O'Brien – NYSUT Representative  
Lisa Spangler – Tupper Lake Representative  
Barbara Talarico, Excellus BC/BS
- CALL TO ORDER:** Chairperson Dodd called the meeting to order at 9:10 A.M.
- APPROVAL OF MINUTES:** Chairperson Dodd asked for a motion to accept the minutes of the April 28, 2011 meeting. Timothy Whipple moved, seconded by Pamela Savard that the minutes be approved:  
Yes - 16  
No - 0, motion carried
- CAREMARK REPORT:** *End-Of-Year Report (July 1, 2010 through June 30, 2011)*  
Kelly Hardison presented the Prescription Benefit Review for July 2010 through June 2011 as well as a separate report for January 2011 through June 2011. Overall, she indicated the Plan did very well for 2010-11. Pamela Savard asked if she could get a report of what age bracket was utilizing the mail order for prescriptions as maybe the younger population would need more education. Kelly indicated she would provide a list for this.

Kelly indicated there are certain pain medications such as the Fentanyl Patch being used for off label reasons that are very expensive. These medications are normally used for cancer treatment; however some Doctor's are using the drug for back pain. She recommended that prior authorization for these drugs be required so Doctor's would be looking at alternatives medications that could be used which are much cheaper. Co Chair Dodd requested Kelly prepare a report for the next meeting with information on what the prior authorization process looks like, what medicines fall into this category, and how long the process takes as well as the cost breakdowns for these prescriptions.

Kelly reviewed the Diabetic Copay Change Analysis whereby the Plan paid an additional \$7,904 giving the employees a zero co-pay for generic diabetic medications. Kelly will continue to monitor this and will have a clearer picture in another six months. Stephanie will check to see if this was approved previously by the Board for longer than a six-month period (UNABLE TO OBTAIN THIS INFORMATION). Co Chair Dodd requested Carmemark work on a letter to send to employees that the Consortium has put a zero co-pay on the generic prescriptions for diabetic supplies. A request was made to bring a report on what savings there could be for the Preferred Specialty Drug Strategy.

*Medicare Part D Update (Potential Move from RDS to EGWP)*

Scott Iannuccilli reviewed the CVS Caremark Medicare Part D Options. Members co-pay amounts would remain the same. The retail amounts are \$8/17/32 and the mail order amounts are \$16/34/64. This would replace the Retiree Drug Subsidy (RDS) that is currently in place. Certain drugs are not covered under this policy such as transplant drugs. They are covered under Medicare Part B and the net cost to the subscriber will be equal to or less than the current co-pay structure. However, this would be a one-time issue when subscribers go to the pharmacy and would be resolved after that first visit as the pharmacy would make a call to Caremark which is open 24/7. Scott suggested a letter be sent to all retirees regarding the Part D Plan and how the benefits would not be changing but the process of how this is handled would be done differently. Scott stated that a letter should be sent to retirees regarding the program and that they have 21 days to opt out of the program. By opting out, they would not have any prescription coverage. Co Chair Dodd suggested a letter from himself and Co Chair Shafer to be included in this letter. Scott will check on this and get back to them. It was stated that a letter from the Consortium should be mailed out prior to the Caremark mailing. Stephanie will set up a meeting with the Health Insurance Clerks to review the process. Scott and Kelly will be available via telephone for this meeting. A potential saving of almost \$300,000 is expected in the first year. It was suggested that subscribers be provided with one phone number for any questions such as the BOCES Office. Dan Bower stated he felt that the Health Insurance Clerks in each District should be involved in this process as they will be getting a number of phone calls as well. When asked why it was necessary to even put the opt-out notice in the letter, Scott indicated it was a federal law mandating a choice. Scott indicated that if they ignored the letter,

they would automatically be put in the Plan. Dan Bower moved, seconded by Jane Collins that the Consortium move from RDS to Medicare EGWP + Wrap Plan effective January 1, 2012:

Yes – 18

No - 0, motion carried

## **KBM REPORT:**

### *End-Of-Year Report (July 1, 2010 through June 30, 2011)*

Patrick Cowburn reviewed the 2010-11 Year-End Management Report as well as the August 2011 Claim Watch. Claims were about 1.5% lower than projected.

Patrick indicated that the specific stop loss amount was increased from \$175,000 to \$185,000 for 2011-12. Patrick also stated that overall the Plan did a little better than projected.

### *Quarterly Report*

The Quarterly Report will be presented at the next meeting for the period of July through September.

### *Medicare Secondary Claims*

A question arose at the last JGB Meeting as to why the medicare retirees are now paying a percentage for costs when they had not done so previously. Upon reviewing this matter, Excellus stated there was no longer an option to have a rider for this coverage. All subscribers and retirees now have a \$200 deductible and co-insurance. Paul Jadlos asked Patrick Cowburn to send a report to the JGB members explaining the matter.

### *Update on Status of Early Retiree Subsidy*

Patrick stated that this program is for retirees ages 55 through 64 for claims that exceeded \$15,000. This Plan went into effect June 2010. The 2<sup>nd</sup> year is completed. Patrick indicated that the Consortium was holding off until this year to submit for the money. We need to show that this money is being used to save money for the Consortium. Since the new plan year started, they would need to know the claims for individuals involved. Patrick noted that he is looking at \$500,000 for reimbursement for this plan year that we can use for budget options for 2012-13.

### *Dental Plan Discussion*

At the last meeting, Patrick Cowburn reviewed information on dental plan coverage for the District. The rates were good for April 2011 and will need to be requoted. 20% participation rate is required for each District. Dale Breault went through CSEA for a dental plan and the 20% participation is not required. Tupper Lake may be interested in signing up for this. Following discussion, it was stated that each District could sign up individually. A summary of benefits and a re-quote for the Dental Plan will be provided by Barbara Talicaro for the next JGB Meeting with an effective date of 7/1/12. She was asked to submit this information to Co Chair Shafer for distribution to the JGB members in advance of the meeting.

**EXCELLUS BC/BS  
REPORT:**

*End-Of-Year Report (July 1, 2010 through June 30, 2011)*

Barbara Talicaro stated she will have this information available the early part of April as this is now done on a calendar basis.

*Urgent Care Provider List Update*

Tupper Lake Health Center will be open on Saturdays starting in October. An updated list was requested and Barbara will send it to Stephanie Bannon for distribution.

*Rider to Provide Physician Services for Birth Control Devices*

Barbara indicated that this can be added as a rider to the Plan. She stated that effective 1/1/13 birth control will be covered at 100%. This will not have an impact on the Plan. Stephen Shafer made a motion to cover the insertion of birth control devices effective January 1, 2012, 2<sup>nd</sup> by Patricia Godreau-Sexton.

Yes – 18

No - 0, motion carried

Co Chair Dodd stated we could not wait until April to review the End-of-Year Report. He requested we get a 6 or 9 month report of our performance in Classic Blue. Barbara stated she would have this information ready and send to Steve prior to meeting.

Mary Moore questioned about retirees being covered by the Classic Blue Plan versus PPO J. Steve Shafer stated that Excellus BC/BS indicated that they could retire under either Plan. Barbara indicated she would have this information available for the next JGB Meeting.

**HISTORY OF THE FEH  
HEALTH INSURANCE  
CONSORTIUM AND THE  
ROLE OF THE JOINT  
GOVERNING BOARD:**

Co Chair Shafer reviewed some of the background and history of the Joint Governing Board and how we got to where we are today.

Patrick Calnon gave a power point presentation on the history of health insurance in the Franklin-Essex-Hamilton BOCES beginning with our withdrawal from the Statewide Plan in 1981. Mr. Calnon also stated that the Consortium may be at as critical time as it was when the negotiations leading up to the writing of the Memorandum of Understanding that established the Joint Governing Board in 1996.

Co Chair Shafer asked what the Consortium has done, excluding the Classic Blue Plan that was a mandated change, to lower the cost for the Consortium and how much impact could we have with the current plan structure. He also asked if there was a way to re-structure this Plan in a positive manner. Leonard Sauers asked if all of the Districts paid the same percentage for the premiums, would that affect the bottom line. Patrick Cowburn stated it would not. Co Chair Shafer stated this could be done if all the bargaining units agreed and a new moratorium would need to be put in place.

Timothy Whipple stated that since the Moratorium has broke down, he has been in negotiations with each of Malone's three bargaining units. He stated that the Malone Board is 100% in favor of uniformity on premium share and/or plan design structure in order to obtain cost savings and to involve individuals that regularly deal with insurance matters.

Co Chair Dodd requested a caucus at 2:15 PM. Returned at 2:55 PM

Co Chair Dodd thanked Patrick Calnon for his presentation and recognized the Employee Group feels they are not in a position to discuss premium sharing at the table. If the District reps have any suggestions on getting a moratorium back, they would be willing to listen to them. Patrick Calnon stated he realized that share premium is not something that can now be enacted by the JGB, but could be under a different set of rules.

Co Chair Shafer stated the Employer Groups stated that there is definitely a willingness to enter into discussion through this vehicle to talk about the current situation. The current state of affairs is not sustainable for the Districts or the employees.

**DATE AND AGENDA FOR  
NEXT MEETING:**

Agenda items for the next meeting scheduled for January 27, 2012 at 9:00 AM at the Adirondack Educational Center are as follows:

- Excellus BC/BS Report (6 or 9 Month Report)
- Discussion of Retiree Coverage for Classic Blue Versus PPOJ
- Caremark Report
  - Caremark Prior Authorization Detail
  - Update on the Pharmacy Advisor Program
- KBM Report
- Dental Plan
- Discussion of FEH Consortium joining other Consortiums
- Premium Rates for 2012-13
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**ADJOURNMENT:**

Pamela Savard, moved, seconded by Daniel Bower that the meeting be adjourned.

Yes – 18

No - 0, motion carried

Meeting ended at 3:15 P.M.

These minutes approved 2/07/2012

Stephanie P. Bannon  
Stephanie P. Bannon, Secretary