

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

JOINT GOVERNING BOARD MEETING

- DATE:** January 22, 2010
- LOCATION:** Adirondack Educational Center
- KIND OF MEETING:** Regular
- MEMBERS PRESENT:** Dale Breault, Mary Carr, Jane Collins, Thomas Dodd, Patricia Dovi, Keith Hazen, Paul Jadlos, Robin Jones, Garry Lanthier, Michael Kilroy, Mary Moore, Nick Pepe, Leonard Sauers, Pamela Savard, Stephen Shafer, Karen Swanston, Timothy Whipple
- MEMBERS ABSENT:** Arlington Collins
- OTHERS PRESENT:** Nancy Allen, Excellus BC/BS Representative
Stephanie Bannon, Secretary
Daniel Bower, Saranac Lake Central School District Representative
Patrick Calnon, Plan Coordinator
Patrick Cowburn, KBM Account Representative
Kelly Hardison, Caremark Representative
Celeste Norman, NYSUT Representative
Megan O'Brien, NYSUT Representative
- CALL TO ORDER:** Chairperson Shafer called the meeting to order at 9:10 A.M. Chairperson Shafer introduced Dan Bower as the new representative for the Saranac Lake Central School District and thanked Mike Kilroy for the service he has provided both to the Consortium as well as in his role as Business Manager and wished him the best in retirement. Tim Whipple also indicated he appreciated the help Mike had given to him over the years. Chairperson Shafer also stated that Jane Collins will be replacing Christopher Nye as the Employer Representative.
- APPROVAL OF MINUTES:** Chairperson Shafer asked for a motion to accept the minutes of the December 8, 2009 meeting with an amendment made to the Approval of Minutes being changed from December 8, 2009 to October 20, 2009. Jane Collins moved, seconded by Patricia Dovi that the amended minutes be approved.
Yes - 17
No - 0, motion carried
- EXCELLUS BC/BS REPORT:** Nancy Allen reviewed the information that was previously presented at the last Board Meeting in regards to the Classic Blue Plan.

Patrick Calnon discussed the options that were presented at the last meeting and what increase in cost he felt it would be for both the Consortium and

members. Hospital co-pay from \$50 to 0, would be a .1% increase for the Consortium (total of \$20,000 to \$21,000). He also indicated that he felt the JGB still did not have a clear picture of what the total cost would be by moving to the Classic Blue Plan. Nancy indicated that the amount provided to the JGB was an estimate from the Actuarial Department. Chairperson Shafer asked what the total cost would be to move to from the Classic Blue Plan. Nancy gave the amount of \$370,000 as a possible exposure figure which would include all changes excluding the adult physicals.. Discussion ensued as to what steps could be taken to make up for the additional expenses that would be incurred. Patrick Cowburn stated that he felt the increase amount would look more like \$400,000 (2% increase).

Thomas Dodd asked if the non-participating provider rate under the Classic Blue was going to change. Lynne Williams indicated that the method to pay for non-participating providers would be the same for the both Classic Blue Plan and the current Indemnity Plan. The amount paid is based on the allowed amount that would have been paid to a participating provider. Ms. Williams also indicated that the rates are also determined based on the area of the non-participating providers. Ms. Williams also indicated that in her opinion, this method of payment would work out better for most subscribers.

The Classic Blue Plan does not cover the removal for impacted teeth. Nancy Allen indicated that during the period of 7/1/8 – 6/30/09, a total of \$28,000 fell under the impacted wisdom teeth only.

**CAREMARK
PRESENTATION:**

Patrick Calnon distributed copies of the CVS/Caremark Proposed Plan Design Changes. The Reduced Generic Co pay design plan changes would lower the co-payment for generic from \$8 to \$4 with increases for both the Formulary and Non-formulary. Chairperson Shafer asked for an analysis if we were to change the Tier 1 and leave 2 and 3 the same. Kelly stated she would obtain this information.

The One time generic copay incentive was discussed. This program is based on a one 90 day zero copay period or 3-30 day retail. Carmark would do an analysis of the subscribers who would be eligible for this incentive and would be sending out information directly to members.

The Evidence Based Plan Design changes were discussed. This is provided for five health conditions. This would eliminate the generic co-pay where there would be no cost to the employee.

The bottom-line for these changes would result in -\$41,900 for the Consortium and -\$178,411 for the Subscribers.

Kelly Hardison distributed copies of the Core and Enhanced Program that is eligible for the Consortium as have signed up for an extended agreement. The Core Clinical Programs do not have any costs associated with them. However, the Enhanced Clinical Program(s) do.

Mary Carr stated that Caremark is calling Doctors' Offices to change medication to a generic brand without notifying the subscriber and this has caused her not to receive her medication on time. Kelly will review this and get back to the JGB.

Kelly reviewed the different options on the Enhanced Clinical Programs as well as the cost for these items.

Dale Breault moved, seconded by Patricia Dovi that the JGB approve the Enhanced Clinical Programs to include Drug Savings Review and Enhanced Safety and Monitoring Solution.

Employee Group requested a caucus at 11:25 AM . Returned 11:55 AM

Thomas Dodd stated that the request be tabled until we can get more info from Caremark on the Enhances Safety and Monitoring from taking to Clinical to a Criminal Investigation.

Kelly stated part of the services provided is that Caremark has their own investigation unit where they complete reviews with members and also do audits on pharmacies if there is suspicion for fraud. She indicated that Caremark would advise the client if there was a need for a criminal investigation as there would be an additional fee of \$80 per hour. She stated that in all of the cases that have been reviewed, less than 5% have gone to clinical consult.

Thomas Dodd asked that this be tabled until next meeting as he would like more information provided.

Dale Breault rescinded his previous motion and made a new motion to accept the Enhanced Clinical Program for Drug Savings Review only. This was seconded by Patricia Dovi.

Yes – 17

No – 0, motion carried

Jane Collins moved, seconded by Garry Lanthier to accept the Core Clinical Programs as outlined with the exception for DAW 1, DAW 2 and Point of Sale Dose Optimization.

Yes – 17

No – 0, motion carried

Chairperson Shafer advised the Board that inasmuch as Excellus BC/BS would have the latitude to move us to the Classic Blue Plan with the best options that they felt fit our current plan, it was in the best interest of the JGB to come up with their own changes. Patrick Calnon reiterated that he felt that the \$400,000 figure sounds right in his estimate and without question there will be a cost to the Consortium moving to the Classic Blue Plan. Chairperson Shafer indicated it was his hope that both groups would be able

and ready to vote on decisions that would need to be made to move to the Classic Blue Plan at the February 25th meeting. Thomas Dodd suggested that the Presidents be invited to this meeting.

Chairperson Shafer indicated what the mission of the JGB is and the importance of a working relationship in good faith in order to maintain the integrity of the Board.

Patrick Calnon threw out a Proposal to use as a starting point using Option #12 increasing the deductible to \$200/\$600 (increasing the MOOP to \$400/\$1,200) and increasing the Hospital In-Patient co-pay to \$200 and to include the total Plan Design Changes to Caremark as noted on Page 5 of the report presented.

Stephen Shafer said he would like to try at least one of the items on the Evidence Based Plan Design to improve the health of the employees. He indicated he would not be willing to try all five, but would suggest trying one of them at this time.

Keith Hazen stated he personally would support the increase of the deductible to be increased to \$200/\$600 and an increase of \$50 to \$100 for the hospital in-patient. He stated that he would advocate what he proposed to the 3 unions in his District. (Option 8 on the Variance Reordered List)

Thomas Dodd asked if the President's could attend the February 25th meeting

The Employee Group requested a caucus 1:35 PM... Returned 2:40 PM

Thomas Dodd stated that the Employee Group also shared Chairperson Shafer's opinion on the JGB moving forward in a positive manner and understands the value of the JGB making decisions at this table to have control. Mr. Dodd presented the following proposal:

The Employee Group would like to get plan experience before making final decisions on some items. Starting point premium variance least invasive # 2 which maintains deductible and increases the Hospital In-Patient Co-Pay Hospital by \$50 to \$100; Reducing tier 1 generics to \$4.00; Include one-time generic co pay incentive page 3); and start one of the conditions as an evidence based plan design as indicated on page 4; and to use some of the reserves in the first year as these do not add up to \$360,000. Suggested to re-evaluate in another year and look at other variables to make up the difference if needed.

Stephen Shafer indicated Option 2 would cause an increase for the Consortium. However, he was on board with the one-time generic co-pay incentive; reduced generic co-pay and the Tier 1 generic change from \$8 to \$4, with some level of increase in Tier 2 and Tier 3.

Union President's will be invited to February 25th meeting to discuss plan design changes and be able to vote on these proposals.

Pat Cowburn will provide two premium options at the next meeting and will have the capability to adjust those estimates if the JGB makes a decision on the particulars of the Classic Blue Plan.

DEPENDENT COVERAGE THROUGH AGE 29: Tabled for a future meeting.

UPDATE ON ESTABLISHING WRITTEN DOCUMENTATION OUTLINING DUTIES OF THE JGB CO-CHAIRS: Tabled for a future meeting.

DISCUSSION ON CONSORTIUM WEBSITE: Tabled for a future meeting.

DATE AND AGENDA FOR NEXT MEETING: Agenda items for the next meeting scheduled for Thursday, February 25, 2010 at the Adirondack Educational Center are as follows:

- Classic Blue Plan
- Consortium Website
- Co-Chair Update
- Premium Rates for 2010-2011

ADJOURNMENT: Dale Breault moved, seconded by Karen Swanston that the meeting be adjourned.

Yes – 17

No - 0, motion carried

Meeting ended at 3:41 P.M.

These minutes approved 2/25/10

Stephanie P. Bannon
Stephanie P. Bannon, Secretary