

**FRANKLIN-ESSEX-HAMILTON SCHOOL DISTRICTS'
HEALTH INSURANCE CONSORTIUM
JOINT GOVERNING BOARD MEETING**

- DATE:** February 25, 2010
- LOCATION:** Adirondack Educational Center
- KIND OF MEETING:** Regular
- MEMBERS PRESENT:** Dale Breault, Daniel Bower, Arlington Collins, Jane Collins, Mary Carr, Thomas Dodd, Patricia Dovi, Keith Hazen, Paul Jadlos (Entered 9:20 A.M.), Robin Jones (Entered 10:20 A.M.), Garry Lanthier, Mary Moore, Nick Pepe, Leonard Sauers, Pamela Savard, Stephen Shafer, Karen Swanston, Timothy Whipple
- MEMBERS ABSENT:** None
- OTHERS PRESENT:** Stephanie Bannon, Secretary
Al Bonaduce, Lake Placid CSD
Patrick Calnon, Plan Coordinator
Don Carlisto, Saranac Lake CSD
Michael Cocco, NYSUT Representative
Patrick Cowburn, KBM Account Representative
Angela DeBeer, Brushton-Moira CSD
Melissa DeVit, Saranac Lake CSD
Lyndon Farmer, St. Regis Falls CSD
Loren Fountaine, NYSUT Representative
Mike Gandey, Tupper Lake CSD
Barbara Kilburn, Lake Placid CSD
Matthew Mayville, Saranac Lake CSD
Celeste Norman, NYSUT Representative
Meagan O'Brian, NYSUT Representative
Jackie Soucia, Chateaugay CSD
William Soucia, Chateaugay CSD
Kent Walrath, Chateaugay CSD
- CALL TO ORDER:** Chairperson Shafer called the meeting to order at 9:10 A.M.
- APPROVAL OF MINUTES:** Chairperson Shafer asked for a motion to accept the minutes of the January 22, 2010 meeting. Garry Lanthier moved, seconded by Daniel Bower that the minutes be approved with the amended changes adding Jane Collins as present and a spelling error on Page 3 from Class to Classic.
Yes - 15
No - 0, motion carried
Abstain - 1, Arlie Collins

**EXCELLUS BC/BS
CLASSIC BLUE
PLAN/CAREMARK
PROGRAMS AND PLAN
DESIGN:**

*Financial Analysis of Sample Caremark Programs and Plan Design
Combinations:*

Patrick Calnon presented a report on the Proposed Plan Design changes for the prescription drug program through Caremark and reviewed the nine options to be considered.

Review of Premium Variance Options for Classic Blue:

Patrick Calnon presented a Premium Variance Report with eighteen options for Deductibles, Maximum Co-insurance and Hospital Inpatient Co-Pays.

*Employee and Employer Proposals to seek an Agreement relative to
Conversion:*

Patrick Calnon presented the Classic Blue and Caremark Plan Design Change Worksheet and explained how this could be used to determine the cost benefits for both the subscribers and the Consortium. He also explained that he added the Value of One-Time Generic Incentive and Value of EBPD-diabetes for informational purposes only and these could be crossed off on the worksheet if the Consortium did not want to use them in their calculations.

The Employee Group requested a caucus at 9:45 AM. Returned 10:50 AM.

Thomas Dodd reported that the Employee Group would like to present the following proposal for consideration:

Item #1: Setting the Value at \$400,000 estimate for the increase in the Classic Blue Plan

Item #2: Propose Option # 7 on the Premium Variance Report

Item #3: Caremark Prescription changes – Propose to add an Option 10, which would include \$8/16; \$16/32 and \$31/62.

Item #4: In favor of the One-time Generic Incentive

Item #5: In favor of the Evidence Based Plan Design on a trial basis for diabetes. Suggest that a follow-up plan be put in place to determine if the program is successful.

Item #6: Inasmuch as impacted wisdom teeth will no longer be covered under Classic Blue Plan Savings, proposal for the Consortium to offer by January 1, 2011 a dental plan with premium sharing to be determined at the local table

Item #7: Moratorium at the local table on premium sharing

Item #8: Agreement that there would be no further plan design changes for four (4) years

The Employer Group requested a caucus at 11:00 AM. Returned 11:35 AM

Chairperson Shafer presented a counter proposal as follows and stated that the Employer Group would like to narrow the range of items that the Employee Group had proposed:

Item #1: In agreement with the \$400,000 figure

Item #2: Propose Option #14 of the Premium Variances

Item #3: Propose Option #9 on the Caremark Plan Design. Feel there is significant value in having our generic match the market. Wal-Mart offers certain generics at \$4.00. This would allow people to go to wider range of providers and pay the same low amount on prescriptions

Item #4: In agreement with both Items 4 & 5 on the Worksheet and agree that follow-up is necessary to manage the outcome

The number of \$45,000 was given as a top number to the Caremark Option 10 that was presently offered by the Employee Group. Following the Employer presentation, lunch was served and a caucus was held.

Thomas Dodd noted that we did need to compromise and share in the responsibility of the liability. The counter proposal made was as follows:

Item #1: Premium Variance Option #8.

Item #2: \$8/16; 17/34 & 32/64 (New Caremark Option #11) – Generate \$90,000 to the Consortium.

Item #3: Agree to include #4 and #5 on the Plan Design Change Worksheet

Item #4: Would like to request that the JGB take a serious look at and explore the possibility of a Dental Plan.

The Employer Group requested a caucus at 12:45 PM.. Returned 1:05 PM

Chairperson Shafer offered the following counter proposal:

Item #1: The Employer Group would agree with Caremark Option #11 - 8/16; 17/34 & 32/64

Item #2: Will commit to exploring a Consortium sponsored Dental Plan

Item #3: Option # 10 on the Premium Variance

Item #4: Include #4 & #5 on Worksheet

Employee Group requested a caucus at 1:10 PM... Returned 1:40 PM

Thomas Dodd stated that the Employee Group stated that although the \$150 increase for in-patient hospital could be significant to members, the Employee Group did feel there is some offset with the new benefits provided by the Classic Blue Plan that will now be covered in full, therefore the Employee Group approved to accept the Employers last proposal Premium Variance Option #10.

Robin Jones moved seconded my Pamela Savard that the final proposal offered by Chairperson Shafer be accepted;

Yes - 18

No - 0, motion carried

Discussion ensued and it was stated that the start date for the new Classic Blue Plan would be January 1, 2011. Thomas Dodd stated that correspondence should be sent to all members so they understand that we are moving to a new Indemnity Plan with a different pay structure with different benefits. Patrick Calnon stated he could draft a letter that could be sent to all members including retirees. Mr. Calnon also suggested to Stephanie that a meeting with the District Clerks should also be made so they are aware of the new changes. Pat Dovi also indicated it would be a good idea to present this at Orientation Day for discussion. Tom Dodd suggested that Pat Calnon work with Nancy Allen on a draft memo on educating members on the new Plan

and that he provide this to Stephanie to forward to JGB members.

**PREMIUM RATES FOR
2010-11:**

Patrick Cowburn distributed copies of the Projected 2009/10-2010/11 Budget Worksheet Classic Blue Option B Report.

Mr. Cowburn reviewed the report. He stated that 88 members would be moving from non-Medicare to Medicare in 2010. He discussed the two different options with one being an 8.1% (green box – break even option) premium rate increase and the other a 9.9% (purple box – conservative budget) premium rate increase. Increase of 7% for individual and family rates w/ 20% increase for Medicare. Blended 8.1%.

Mr. Cowburn then presented the 2010/11 Premium Calculation Classic Blue Option B sheet.

Thomas Dodd stated the Employee Group would vote on the Traditional Non-Medicare and Medicare rates, leaving the PPO rates to be approved by the Board of Directors.

Dale Breault stated he is a little worried about the census numbers based on the number of cuts that may need to be made by the Districts.

Following discussion, Jane Collins moved, seconded by Garry Lanthier to accept the green box Option 1 for the monthly premium rates for 2010-11 for Traditional Non-Medicare and Medicare Rates as follows:

Traditional Non-Medicare Rates

Individual - \$552; Family - \$1,452 and Super Family \$726

Medicare Rates

Individual - \$178; Family - \$356

Yes - 17

No - 0, motion carried

**BC/BS OUT OF NETWORK
SETTLEMENT:**

Chairperson Shafer stated that some members had received a letter from Excellus BC/BS indicting that for the period of March, 2003 through March, 2009 there had been legal action taken regarding charges being paid incorrectly from Excellus BC/BS for out of network providers. To seek reimbursement, members would need to provide information from those time periods to be reimbursed.

**UPDATE ON
ESTABLISHING WRITTEN
DOCUMENTATION
OUTLINING DUTIES OF
THE JGB CO-CHAIRS:**

Chairperson Shafer distributed copies of a draft of the Duties and Responsibilities of the Joint Governing Board Co-Chairs. He asked that members review this document and that it would be listed as an Agenda item at the next meeting.

**DISCUSSION ON
CONSORTIUM WEBSITE:**

Tabled for next meeting.

OTHER ITEMS FOR DISCUSSION

Dependent Coverage until age 29

Discussion was made regarding the new legislation requirement that dependents be covered until age 29. This will become effective on July 1, 2010. If we do nothing, individual coverage will be available to those meeting all the requirements with the full premium cost paid by the subscriber.

Chairperson Shafer stated he had received a letter from Dan Nardiello Jr. in regards to exploring the idea of combining the three local BOCES Consortiums together to form one Consortium. He indicated that he would meet with the BOCES District Superintendents on this matter and will keep the JGB informed. Thomas Dodd said he would be willing to attend the meeting as well as a JGB member.

**DATE AND AGENDA FOR
NEXT MEETING:**

Agenda items for the next meeting scheduled for Monday, May 3, 2010 at the North Franklin Educational Center are as follows:

- KBM Proposal
- Excellus BC/BS Administrative Proposal
- Discussion on Consortium Website
- Dental Plan
- Dependent Coverage to Age 29
- Stop Loss Insurance
- Update on Establishing Written Document Outlining Duties of the JGB Co-Chairs
- Enhanced Clinical Care Report
- Update for educational material to be sent to members regarding the Classic Blue Plan

ADJOURNMENT:

Thomas Dodd moved, seconded by Patricia Dovi that the meeting be adjourned.

Yes – 17

No - 0, motion carried

Meeting ended at 2:55 P.M.

These minutes approved May 3, 2010

Stephanie P. Bannon
Stephanie P. Bannon, Secretary