

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

DATE: May 3, 2010

LOCATION: North Franklin Educational Center

KIND OF MEETING: Regular

MEMBERS PRESENT: Dale Breault, Daniel Bower, Arlington Collins, Mary Carr, Thomas Dodd, Patricia Dovi (Entered 9:10 AM), Keith Hazen, Paul Jadlos (Entered at 10:50 AM), Robin Jones, Garry Lanthier, Mary Moore, Nick Pepe, Leonard Sauers, Pamela Savard, Stephen Shafer, Karen Swanston, Timothy Whipple

MEMBERS ABSENT: Jane Collins

OTHERS PRESENT: Stephanie Bannon, Secretary
Patrick Calnon, Plan Coordinator
Patrick Cowburn, KBM Account Representative
Angela DeBeer, Brushton-Moira CSD Representative
Loren Fountaine, NYSUT Representative
Karen Sullivan, NYSUT Representative

CALL TO ORDER: Chairperson Shafer called the meeting to order at 9:08 A.M.

APPROVAL OF MINUTES: Chairperson Shafer asked for a motion to accept the minutes of the February 25, 2010 meeting. Robin Jones moved, seconded by Garry Lanthier that the minutes be approved.
Yes - 15
No - 0, motion carried

EXCELLUS BC/BS REPORT: Nancy Allen distributed copies of draft communication that was used to send to employees alerting them of the change to Classic Blue that had been used for previous Groups switching to the Classic Blue Plan. She reviewed two options on how this could be handled. One being two memos sent out separately in November & December and the other option sending out one letter. Nancy will send the Comparison Chart of the Indemnity/Classic Blue Changes to Stephanie Bannon and she will forward to the JGB members. Robin Jones suggested that only one letter be sent out to avoid confusion and also would be more cost effective. This memo will only be going out to Indemnity Plan members and not subscribers of the PPO Plan. Patrick Cowburn suggested that the letter should come from the JGB Board Co Chairs.

A website has been developed by Excellus BC/BS just for the FEH Consortium subscribers that would answer many questions regarding the new Classic Blue Plan. Chairperson Shafer suggested that this website link be included in the letter that will be sent to all subscribers. Excellus BC/BS will draft an insert for payroll checks (Attention Grabbers) for employees early in the Fall. This would also need to be sent to retirees as well. Mary Carr suggested one mailing and attach the summary benefits to the memo. Pamela Savard moved, seconded by Robin Jones that the 3 items be approved as presented.

1. Memo sent to all subscribers including Comparison Chart from the JGB Co Chairs
2. An Attention Grabber to be included in all paychecks in the Fall
3. One Letter to be sent to subscribers from Excellus

Yes, 16

No, 0, motion carried

Dental Plan

Patrick Cowburn stated that a Dental Plan is to be provided on a voluntary basis and an insured product would be recommended. Nancy Allen distributed information on several proposals and indicated that this information was prepared to use as a starting point only and that accurate information was not available at this time. Lake Placid and Saranac Lake were not included in this proposal as they are already participating in a Dental Plan through Excellus BC/BS. Mrs. Allen reviewed several proposals on the Dental Plans. The Plan could be used as either a separate policy for each District or as a whole for the Consortium. Dale Breault would like to see a plan sponsored by the Consortium as he did not feel his District would be able to do this on his own. Karen Sullivan indicated that the NYSUT Dental Plan through Delta could also be made available to all members. Following discussion, it was requested that Patrick Cowburn gather information from the Districts for use in preparing a chart for discussion at the next JGB meeting.

Nancy Allen advised the JGB that she would be retiring in June. Lynne Williams is working on getting her replacement and would ensure for a smooth transition. Chairperson Shafer extended thanks for all she had done for the Consortium during her years working with the Group.

KBM PROPOSAL:

Chairperson Shafer indicated that he had received a proposal from KBM. The current amount we pay is \$39,000. KBM is proposing \$41,500 for three consecutive years. This represents a 6.4% increase over the current cost, but would be the same for three years. Following discussion, Dan Bower moved, seconded by Patricia Dovi that we continue with KBM at the \$41,500 rate for the three years.

Yes, 16

No, 0, motion carried

KBM REPORT:

Excellus BC/BS Administrative Proposal

Patrick Cowburn reviewed the 2010-11 Administrative Renewal Analysis for Excellus BC/BS. Excellus BC/BS provided both a one-year and a three-year rate proposal. Mr. Cowburn recommended that the JGB approve the three-year rate based on his analysis. Chairperson Shafer indicated that in these times, he felt the percentage rates proposed were high. Patrick Cowburn stated that he would go back to Excellus BC/BS to re-negotiate and see if they would be able to make any movement. The proposed rates are good through May 28, 2010. Chairperson Shafer suggested that once we get the new rates, that he be authorized to approve the rates. Robin Jones moved, seconded by Garry Lanthier that Chairperson Shafer be authorized to make a decision and sign and approve any documentation in regards to the Excellus BC/BS contract and if a Co-Chairperson should be appointed by the end of the meeting, this document be signed by both Chairpersons (A Co-Chair was selected later in the meeting. Steve Shafer and Tom Dodd will confer before moving ahead).

Yes, 16

No, 0, motion carried

Stop Loss Insurance

Patrick Cowburn reviewed information regarding the Stop Loss Insurance. He recommended to renew with Excellus BC/BS and to increase the deductible to \$175,000. Patricia Dovi moved to increase the specific stop loss deductible to \$175,000, seconded by Dan Bower.

Yes, 16

No, 0, motion carried

Arlie Collins moved, seconded by Timothy Whipple that the Co-Chairs be empowered to either sign the Excellus BC/BS contract or request Patrick Cowburn to put out to bid.

Yes, 16

No, 0, motion carried

Update of Federal Law Health Care Legislation

Patrick Cowburn reviewed the information that was sent out to the JGB previously. The Stop Loss Pool to reimburse employers for 80% of the claims between \$15,000 to \$90,000 for early retirees (Age 55-64) was discussed. Applications must be completed in June. The subsidy is available until 2014 or a limit of \$5,000,000,000 Nationwide. A decision will need to be made within the next few months and need to be in place by June 23rd. This action may require an Emergency Meeting. A tentative meeting date was scheduled for June 14th at the NFEC in Malone at 12:30 PM if needed.

Dependent Coverage to Age 26

The law states that an adult dependent child would need to be added to the plan at no additional costs as long as they do not have any coverage through their employer. Information at this time is all tentative. The first renewal after 9/23 for our Consortium would be January 1, 2011. While Excellus is

implementing this program immediately for their fully insured customers, those that are claim based, such as ours, need to make that decision. After discussion, the decision was made that the Consortium would not start this change until January 1, 2011.

Dependents to Age 29

Mr. Cowburn indicated that Dependents to Age 29 will need to be covered, cannot be married or have coverage elsewhere, and will need to pay a full single coverage through a COBRA type of plan through Age 29.

CAREMARK REPORT:

Enhanced Clinical Care Report

Patrick Calnon distributed copies of the Safety and Monitoring Solutions from Caremark and reviewed how the additional investigation process was handled. Discussion ensued regarding the confidentiality of how these matters were investigated. Pat Calnon stated if we had further questions regarding this matter, he would bring these back to Kelly Hardison for further review. He indicated he would ask further specific questions to Kelly and bring back to the September JGB Meeting.

One Time Generic Co-Pay

Patrick Calnon indicated that the One Time Generic Co-pay would cover either one free generic fill at either retail or mail only. Thomas Dodd suggested January 1 may be a good time to start this as we will be starting our Classic Blue Plan at that time as well.

Mr. Calnon distributed sample letters that Caremark would use to send to subscribers allowing the one time free generic co-pay.

A suggestion was made to include this information on the letter that will be going out in the Fall.

Discussion ensued regarding the PPO J Plan receiving information on the Classic Blue Plan. The letter will be sent out as soon as the JGB approves this.

Dale Breault suggested that a new matrix chart be prepared that will be available to subscribers showing the differences of the Classic Blue and PPO J. July 1 – Open Enrollment Date. Patrick Cowburn stated that inasmuch as January 1 would include a new plan, this would also be considered an Open Enrollment for one time only with the July 1st date being considered from that point on. Chairperson Shafer indicated there is a document in process that would include the comparison for the plans. It was stated that this will also be addressed at the Orientation Days for all of the Districts. The letter will be printed on the Consortium stationary.

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

Chairperson Shafer reviewed the draft of the Duties & Responsibilities of the Joint Governing Board Co-Chairs that was presented at a previous meeting. Dale Breault suggested that the names of the individual health insurance vendors (Excellus, Caremark, KBM) be left off in case changes can be made at any time. Chairperson Shafer will make this change. Thomas Dodd also suggested that Item #6 be added that states Additional Duties as Directed by

the JGB. Robin Jones moved, seconded by Patricia Jones that the document be accepted as amended.

Yes, 16

No, 0, motion carried

Robin Jones moved second by Patricia Dovi that the Employers and Employees select a Co-chair to include a two-year term, but can be selected for continuous terms. The two-year term would start on July 1st

Yes, 16

No, 0, motion carried

Employee Group requested caucus 1:40 PM... Returned 2:00 PM

Thomas Dodd stated that the Employee Group had asked him to serve the Co Chair role for the next two years.

**DISCUSSION ON
CONSORTIUM WEBSITE:**

Stephanie Bannon reviewed the draft of the Consortium website that had been sent to the JGB members previously. Several suggestions were made for additional information to be included on the website. A recommendation was made for these changes to be made and included on the FEH BOCES website for the JGB members to review.

**DATE AND AGENDA FOR
NEXT MEETING:**

Agenda items for the next meeting scheduled for September 30, 2010 at the North Franklin Educational Center are as follows:

- Dental Plan
- Dependent Coverage to Age 26
- Enhanced Clinical Care Update
- Update for educational material to be sent to members regarding the Classic Blue Plan
- Review what contracts may be expiring during the school year

ADJOURNMENT:

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

Yes – 15

No - 0, motion carried

Meeting ended at 2:25 P.M.

These minutes approved 9/30/10

Stephanie P. Bannon
Stephanie P. Bannon, Secretary