

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

JOINT GOVERNING BOARD MEETING

DATE: February 25, 2009

LOCATION: North Franklin Educational Center

KIND OF MEETING: Regular

MEMBERS PRESENT: Dale Breault, Ronald Burke, Mary Carr, Thomas Dodd, Patricia Dovi, Andrew Draper, Keith Hazen, Garry Lanthier, Michael Kilroy, Mary Moore, Elizabeth Mosher, Christopher Nye, Leonard Sauers (entered 9:40 AM), Pamela Savard, Stephen Shafer, Kent Walrath, Timothy Whipple

MEMBERS ABSENT: Robin Jones

OTHERS PRESENT: Stephanie Bannon, Secretary
Patrick Cowburn, KBM Account Representative
Kelly Hardison, Caremark Account Representative
Celeste Norman, NYSUT Representative

CALL TO ORDER: Chairperson Shafer called the meeting to order at 9:10 A.M.

APPROVAL OF MINUTES: Chairperson Shafer asked for a motion concerning the minutes of the October 21, 2008 meeting. Tim Whipple moved, seconded by Patricia Dovi that the minutes be approved.

Yes - 17
No - 0, motion carried

KBM REPORT: Patrick Cowburn reviewed the 2008-09 Six-Month Management Report. He stated that hospital costs were up 36% over last year. Discussion ensued as to why this amount had gone up so drastically. Chairperson Shafer requested that Patrick Cowburn prepare a breakdown of these costs and send to the Board members.

Mr. Cowburn also stated there had been changes in the Government budget in regards to mental health parity which states there can be no limits on nervous or mental conditions visits or any maximum amounts placed on payments made for these conditions. He also indicated there were new enhanced COBRA rules set in place for employees who involuntary lose their jobs. A federal subsidy will pay for 65% of the premium amount for up to nine months. He expects a final ruling to be made within the next 30 days on this matter and will also be sending draft memos that could be used.

SET PREMIUM RATES:

Chairperson Shafer stated that premiums are set by the Joint Governing Board and then approved by the Board of Directors. However, if premium rates are not set by the JGB, that the Board of Directors would set the rates. Patrick Cowburn reviewed the 2009-10 Premium Recommendations and the Projected 2009-10 Budget Worksheets. Chairperson Shafer indicated that if there was interest in signing up for a PPO J Plan, Districts must go through the negotiations process for collective bargaining units. Discussion ensued regarding the High Deductible Plan. It was stated that this type of plan must be processed by the individual Districts and would not be done through Excellus BC/BS. A request was made to Nancy Allen to prepare a one page document noting the differences between the Traditional and CDHP Plan. Mary Moore indicated she would also be willing to speak with anyone in regards to the PPO J Plan if they had any questions.

Thomas Dodd requested a caucus at 10:25.... Returned 11:15

Thomas Dodd indicated that the Employee Group could entertain a vote to set premium rates for the Indemnity Plan. However, the Employee Group was not in a position to vote on the PPO J Plan or CDHP as those plans had not been endorsed by the Joint Governing Board.

Garry Lanthier moved, seconded by Mike Kilroy to adopt the 10.5% increase applying to the Traditional Plan as marked in the blue box on the right hand corner of the handout provided by KBM.

Yes - 17

No - 0, motion carried

Dale Breault moved, seconded by Patricia Dovi to adopt the 10.5% increase applying to the PPO J Plan and CDHP as marked in the blue box on the right hand corner.

Yes - 10

No - 4

Abstain - 3, motion failed

Chairperson Shafer stated that he would anticipate that the Board of Directors would set the PPO J Plan and CDHP rates at their next Board Meeting.

AUTHORIZE REVIEW OF PROPOSALS AND PURCHASE OF STOP LOSS COVERAGE FOR 2009-10:

Chairperson Shafer stated that in the past, the JGB had authorized the Co Chairs to authorize the vendor for the Stop Loss Insurance Coverage as information was not available until June to request rates. Mike Kilroy moved, seconded by Patricia Dovi that Chairperson Shafer and an employee designee representative be authorized to make a decision and sign the Stop Loss Insurance contract.

Yes - 17

No - 0, motion carried

Chairperson Shafer asked that the Employee Group let him know in the near future who the employee representative would be.

**COORDINATION OF
BENEFITS BETWEEN
DIFFERENT PLANS –
NANCY ALLEN:**

Nancy Allen distributed copies of the process of payments for the Traditional Plan, PPO Roll Over from Indemnity Plan for Super Family Coverage and the PPO Plan. Mrs. Allen stated that in situations where employees are eligible for Super Family Coverage, unless the District requires otherwise, one spouse could be covered under the Traditional Plan and one in the PPO J Plan. She also indicated that July 1st would be the Re-enrollment period and employees could change coverage once a year on that date.

Mrs. Allen distributed copies of the Dental Blue Options Plan that could be made available on a voluntary basis for employees. This could be set up for different bargaining units and 20% of the eligible employees would need to participate. Mike Kilroy stated that his District is currently paying \$197.64 for Individual and \$597.84 for family per year for the Dental Blue Classic Plan and that it was working well. He stated that the District pays 50% of the premiums and 50% is paid by employees. Nancy Allen indicated that premiums would be based on experience if available and demographics.

**TERM OF CURRENT
CAREMARK
AGREEMENTS (ENDS
12/31/09)**

Kelly Hardison distributed copies of the RxInsights and Prescription Benefit Review for January 2008 – December 2008 and stated that overall the Plan was doing well. Kelly Hardison left the meeting.

Thomas Dodd left 1:15 PM

Chairperson Shafer stated that the Caremark Agreement would be expiring on December 31, 2009. Patrick Cowburn recommended that a RFP be sent out in the summer. Chairperson Shafer moved, seconded by Pam Savard that KBM prepare an RFP for prescription drug coverage and have ready for a presentation to the Board at the Fall meeting.

Yes - 16

No - 0, motion carried

Tim Whipple asked if any Districts had an Employee Assistance Program and stated this might be a good joint venture for the JGB. Chairperson Shafer asked Patrick Cowburn to check on this matter and report back to the Board. Nancy Allen indicated that Excellus BC/BS does not provide this service.

**DATE AND AGENDA FOR
NEXT MEETING:**

Major issues to be discussed at the next meeting scheduled to be held October 20, 2009 at the Adirondack Educational Center is as follows:

- KBM Report
- Review of Prescription Drug RFP
- Excellus BC/BS Report
- Caremark Report

ADJOURNMENT:

Tim Whipple moved, seconded by Beth Mosher that the meeting be adjourned.

Yes – 16

No - 0, motion carried

Meeting ended at 1:35 P.M.

These minutes approved 10/20/09

Stephanie P. Bannon
Stephanie P. Bannon, Secretary