

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

JOINT GOVERNING BOARD MEETING

DATE: March 1, 2007

LOCATION: North Franklin Educational Center, Malone, NY

KIND OF MEETING: Regular

MEMBERS PRESENT: Daniel Bower, Ronald Burke, Mary Carr, David DeSantis, Dean Dietrich, Patricia Dovi, Patricia Godreau, Paul Harrica, Keith Hazen, Robin Jones (Entered at 10:30 A.M.), Michael Kilroy, James Kordziel, Philip LePage, Mary Moore, Christopher Nye, Pamela Savard, Kent Walrath, Tim Whipple

MEMBERS ABSENT: None

OTHERS PRESENT: Nancy Allen, Excellus BC/BS Representative
Stephanie Bannon, Secretary
Patrick Calnon, Plan Coordinator
Patrick Cowburn, KBM Account Representative
Thomas Dodd, Lake Placid Representative
Gerry LaMora, Caremark Account Representative
Celeste Norman, NYSUT Representative
Lisa Stover, Caremark Account Representative
Rick Swanston, FEH BOCES Representative

CALL TO ORDER: Co Chairperson Bower called the meeting to order at 9:40 A.M. He welcomed Ronald Burke who is replacing Dana Wood and also indicated that Thomas Dodd would be replacing Dean Dietrich starting with the next meeting.

APPROVAL OF MINUTES: Co Chairperson Bower asked for a motion concerning the minutes of the February 8, 2007 meeting. Paul Harrica moved, seconded by Tim Whipple that the minutes be approved.
Yes - 16
No - 0,
Abstain – 1 (Keith Hazen), motion carried

EXCELLUS BC/BS REPORT: Nancy Allen reviewed an Indemnity/PPO Comparison report. She indicated that a PPO Plan would allow the JGB to make plan design changes more readily if needed. She also indicated she had used a \$10 Copay amount, but this could be changed to any amount the JGB would like to use. She also stated that in order to convert to a PPO Plan, Excellus BC/BS would need a 90-day notice. Converting to a PPO Plan would also require that all members

would need to complete a new membership application as well as more educational training.

Mrs. Allen also reviewed information regarding continuation of health insurance in retirement. Following discussion, it was agreed that Stephanie Bannon and Nancy Allen would prepare a draft information sheet. This draft document would then be shared with each participating district's business office to reconcile any possible discrepancies with local procedures. It is hoped that a final draft will be available for consideration at the next Joint Governing Board meeting.

CAREMARK REPORT:

Gerry LaMora announced that he would be moving to a new position at Caremark and introduced Lisa Stover as his replacement. Mr. LaMora presented a Prescription Benefit Review for the period of July 2006 through January 2007.

KBM REPORT:

Patrick Cowburn presented the 2006/07 Six-Month Management Report.

**RETROSPECTIVE
PRMIUM
ADJUSTMENT/SET
PREMIUM RATES:**

Stephanie Bannon explained background information related to the "Super Family" coverage as well as the requirement for Retrospective Rate Adjustments established through the Memorandum of Understanding. Mrs. Bannon then presented an analysis of three options for Determination of Premium Rates for 2006-07 to Reflect an Adjusted Total Premium Pool. She stated that each March 1st, the Consortium applies a formula to the current census pursuant to the Memorandum of Understanding, which calculates the surplus/deficit caused by the change in the number of employees eligible for super family coverage. This year's calculation revealed a potential increase of \$25,632 due to the addition of six super family coverage's. She also noted that for the last 3 years, the Board had voted not to adjust the premium rates.

Patrick Cowburn reviewed the Projected 2006/07-2007/08 Budget Worksheet as well as the 2007/08 Premium Analysis which included four options for 2007-08 rates. He indicated that the over 65 premiums should reflect the cost of offering the benefit.

Lunch was served 12:10 P.M. Meeting resumed at 1:00 P.M.

Dean Dietrich made a motion, seconded by Patricia Godreau to adopt Option C as presented by Mrs. Bannon as the method of determining premium rates, which does not reflect an adjustment to the pool or any change in premium rates for the 2006-07 school year.

Yes - 17

No - 0

Abstain – 1 (Keith Hazen), motion carried

Dean Dietrich made a motion to accept the 2007-08 rates as presented by Patrick Cowburn (blue box) which included a 11.4% Premium Equivalent Increase across the board with the following rates:

<u>Non Medicare Rates</u>	
Single	462
Family	1,188
Super Family	594

<u>Medicare Rates</u>	
Single	96
Family	192

The Employer Group requested a caucus at 1:03 P.M. They returned at 1:15 P.M.

Co Chair Bower offered a counter proposal which would include a 25% medicare equivalent increase with the following rates:

<u>Non Medicare Rates</u>	
Single	456
Family	1,184
Super Family	592

<u>Medicare Rates</u>	
Single	107
Family	214

The Employee Group requested a caucus at 1:20 P.M. They returned at 1:45 P.M.

Upon return, Dean Dietrich indicated that the Employee Group could not look at anything but the proposal they had presented (blue box).

A question was raised as to how the premium rates would be computed if the Joint Governing Board did not take action by June 30th. Mr. Calnon indicated that the Superintendents would then need to set the rates.

David DeSantis shared with the Board his experience and observations since the first meeting in December of 1996. He noted that over the past 11 years, there has been a collaborative effort by Joint Governing Board members to find solutions to difficult problems and work in the best interest of maintaining the health insurance program. He then presented a concept for the Boards consideration that included four options. He was very clear to point out that this was not an employer proposal rather it was something he had developed on his own and shared only with Mr. Calnon in order for him to work out the calculations. He stated that it was his hope this would continue a meaningful role for the Joint Governing Board and at the same time respond to concerns voiced by employers and employees regarding

previous proposals. He explained that Option A is the default option as things stand at this point in time in the event Option B, C or D can not be agreed upon locally. He proposed that if a local district and all local bargaining units could agree upon either Options B, C or D, the moratorium would extend for another three years in that school district.

The Employer Group requested a caucus at 3:40 P.M. They returned at 3:50 P.M.

**STOP LOSS INSURANCE/
CONTRACT FOR PLAN
CONSULTANT/
EXCELLUS BC/BS
CONTRACT:**

Mr. Calnon reiterated that if premium rates for 2007-08 were not set by the JGB Board by June 30th, the Superintendents would need to set the rates in July.

Discussion ensued regarding the Excellus BC/BS Administrative Contract. Dean Dietrich made a motion, seconded by Mary Moore that a Request for Information for the administrative contract be authorized.

Yes - 17

No - 0,

Abstain – 1 (Keith Hazen), motion carried

Patrick Calnon read a proposal from KBM Management that included an annual rate of \$39,000 for a three-year period commencing with 07/01/07. Following discussion, Paul Harrica moved, seconded by Patricia Dovi, that the Board accept the proposal.

Yes - 17

No - 0,

Abstain – 1 (Keith Hazen), motion carried

Following discussion regarding the Stop Loss Insurance coverage, Paul Harrica moved, seconded by Robin Jones that the Co Chairs be authorized to make a decision in regards to the Stop Loss Insurance for 2007-08.

Yes - 17

No - 0,

Abstain – 1 (Keith Hazen), motion carried

**AGENDA FOR NEXT
MEETING:**

Major issues to be discussed at the next meeting tentatively scheduled to be held on May 1, 2007 at 9:30A.M. at the Adirondack Educational Center is as follows:

- Excellus BC/BS Report
 - Discussion of PPO Plan
- KBM Report
- Set Premium Rates for 2007-08
- Excellus BC/BS Administrative Contract

ADJOURNMENT:

Paul Harrica moved, seconded by Christopher Nye that the meeting be adjourned.

Yes – 17

No - 0

Abstain - 1 (Keith Hazen), motion carried

Meeting adjourned at 3:15 P.M.

These minutes approved May 1, 2007

Stephanie P. Bannon
Stephanie P. Bannon, Secretary