

ROCHESTER AREA SCHOOL HEALTH PLAN II
August 22, 2018
8:30 a.m. – Rush-Henrietta Transportation Center
Minutes - Revised

The following were present:

Brockport	Darrin Winkley
Churchville-Chili	Frank Nardone
Gates Chili	Absent
Greece	Romeo Colilli
Hilton	Scott Massie
Spencerport	Rick Wood
Wheatland-Chili	Jessica Jackson
Monroe #2 BOCES	Steve Roland

Brighton	Absent
East Irondequoit	John Abbott
East Rochester	David Green
Fairport	Matt Stevens
Honeoye Falls-Lima	Bruce Capron
Penfield	Absent
Pittsford	Darrin Kenney
Rush-Henrietta	Andy Whitmore
Webster	Brian Freeman
West Irondequoit	James Brennan
Monroe #1 BOCES	Scott Covell

Gallagher	Mike Martone, Brian Thomas, Kara Burden, Sharon Brognia, Charles McLaughlin
Union Reps	Charlotte Kimberly-Haag, Dwayne Cerbone, Bill Gregory
Superintendents	Gene Mancuso
Others Present	Carrie Andrews – NYSUT, Bill Mahoney - Penfield

Scott Covell called the meeting to order at 2:33 PM.

I. Action Items

- A. Minutes – May 9, 2018** – There is one correction to the May 9, 2018 minutes; the spelling of the last name of Union Representative Cerbone (not Carbone). Bruce Capron moved, Darrin Kenney seconded, that the minutes of the May 9, 2018 meeting be approved.

Vote: All in favor

- B. Treasurer's Report** - Steve Roland presented the Treasurer's report for the period ending June 30, 2018. Total assets are \$94.2mm. There is a six-month surplus of \$16mm. The cumulative fund balance is \$77.1mm

Darrin Kenney moved, Dave Green seconded, that the Treasurer's report for the period ending June 30, 2018 be approved.

Vote: All in favor

- C. Gallagher Management Report** - Brian reported on the Gallagher Management Report for the period ending June 30, 2018. The Plan has a year-to-date surplus of \$16mm; he reviewed the variances contributing to the surplus. Expenses are \$8.7mm less than expected. Enrollment is decreasing and was approximately 15,100 at 6/30/18.

John Abbott moved, Scott Massie seconded that the Gallagher Management Report for the quarter-ending June 30, 2018 be approved.

Vote: All in favor

Charles reported that Mary Beth Luther has done a lot of work on the two DFS quarterly reports. The reports will be distributed to the group and posted online.

- D. Reserve and Rate Certification** - Mike Martone reported that a Gallagher Company has submitted a proposal for \$17k to perform reserve and rate certification; this is an annual requirement.

John Abbott motioned to contract with Healthcare Analytics Consulting for actuarial services, seconded by Brian Freeman.

Vote: All in favor

II. Updates

- A. Right Pricing Study** – Charles reviewed the Gallagher 2018 updated relativity study. Approximately 93% of Plan expenses go towards claims versus only 85% for Excellus' book of business. The group discussed actual migration and expected migration going forward. Relativity models were discussed. Charles cautioned the group to not decrease the HDHP below a .72 relativity; the 50/50 model would set it at .69. Gallagher is recommending the 50/50 model on Graph 4 but modifying HDHP to a .72 relativity.

The discussion was tabled for the next meeting.

- B. Stop Loss Discussion** – Mike Martone reviewed Excellus' 2019 Stop Loss proposal. Gallagher will be taking it to the market place for competitive quotes.

Brian reported that Excellus had 24 claimants with greater than \$1mm in claims in a calendar year from 2015 – 2018 (year-to-date); with \$3.4mm being the highest claimant.

Excellus did not have a claimant greater than \$2mm until 2016; there have been eight claimants since then. They are considering purchasing reinsurance for their book of business.

The Plan's Stop Loss insurance premium for 2018 is expected to be approximately \$1.4mm; the Plan carries a \$1mm deductible per individual. Excellus is preliminarily proposing a 0% increase for 2019. The Stop Loss premium will not be available (we only have Excellus' proposal to date) when 2019 Plan rates are set in October.

Another factor to be considered is increasing the deductible to \$2mm per individual; this would be subject to DFS approval.

C. Management Liability Policies – Scott Covell stated that we are analyzing potential gaps in insurance for the Board of Directors and the Plan. This will be brought back to the Plan for a future discussion.

D. Businessolver Update – Scott gave an update on Businessolver. He said they are looking at the possibility of Businessolver administering COBRA; it would be approximately \$0.38/member/month. This is substantially less than what Excellus would charge (\$0.75). By incorporating it into Businessolver, it would ensure compliance and reduce the amount of work done at the district level.

James Brennan motioned, Brian Freeman seconded that the Plan utilize the Businessolver COBRA module at a cost of \$0.38 per contract per month.

Vote: All in favor except Union Representative Cerbone.

E. HDHP Education – Kara reminded the group that Gallagher is available to conduct informational HDHP meetings in the districts; she has estimated that they have held 26 educational meetings to date.

III. Adjournment

Motion to adjourn at 10:44 AM moved by Darrin Winkley, seconded by Bruce Capron.

Vote: All in favor

Respectfully Submitted,
Steve Roland for Lou Alaimo, Secretary