



# Rochester Area School Health Plan II

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## ROCHESTER AREA SCHOOL HEALTH PLAN II

Topic: RASHP II 5/26 Zoom Meeting  
Time: May 26, 2020 02:00 PM Eastern Time

Meeting ID: 924 3377 5255

## MINUTES

The following were present:

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

Brighton	Lou Alaimo
East Irondequoit	John Abbott
East Rochester	Staci SanSoucie
Fairport	Matt Stevens
Honeoye Falls-Lima	Bruce Capron
Penfield	Mark Sansouci
Pittsford	Darrin Kenney
Rush-Henrietta	Andrew Whitmore
Webster	Brian Freeman
West Irondequoit	James Brennan
Monroe One BOCES	Scott Covell

Gallagher Sharon Brognia, Charles Mclauchlin, Brian Thomas

Union Reps Charlotte Kimberly-Haag, Dwayne Carbone, Scott Steinberg,  
Kathy Occhioni, Bill Gregory

Superintendents None Present

Other Present Carrie Andrews (NYSUT)

Call to order by Scott Covell at 2:05 PM

**I. Action Items**

- A. Minutes – December 4, 2019 Mark Sansouci moved, Matt Stevens seconded, that the minutes of December 4, 2019 be approved

Vote: All in favor

- B. Treasurer's Report – December 31, 2019 – Darrin Kenney moved, John Abbott seconded that the Treasurer's report for the period ending December 31, 2019 be approved.

Vote: All in favor

- C. Treasurer's Report – March 31, 2020 – Darrin Winkley moved, John Abbott seconded that the Treasurer's Report for the period ending March 31, 2020 be approved.

Vote: All in favor

- D. Reserve Summary Year End 2019 - Scott Covell reviewed the Year-End Reserve Summary for as of December 31, 2019. The summary rolls forward total fund equity and accounts for Plan Performance, Stop Loss activity, General Reserves and Rate Stabilization. It also accounts for year-end reclassifications for audit purposes and compares fund balance to Article 47 minimum requirements.

Darrin Winkley moved, Dwayne Cerbone seconded that the Reserve Summary for the Year End 2019 be approved by the Board.

Vote: All in favor

- E. Gallagher Management Report – Brian Thomas reviewed the Gallagher Management Report for the period ending March 31, 2020. Brian noted that Q1 exceeded projected performance by \$1.7 million. Discussion followed regarding high cost claimants. The estimated extrapolated surplus for the year is \$871,000 accounting for the replenishment of the budgeted contribution to reserve totaling \$2.56 million. Discussion followed regarding the budgeted contribution to reserve.

Brian also reviewed the comparative RASHP II Stop-Loss Reimbursements summary document.

Scott Steinburg moved, John Abbott seconded that the Gallagher Management report for the period ending March 31, 2020 be approved.

Vote: All in favor

- F. Gallagher Service Agreement – Scott Covell introduced the proposed extension to the service agreement with Gallagher. The proposed term is to June 2023. Scott noted that the scope of services listed in the exhibits of the contract have been updated. Total cost of the contract is \$350,000 per year, offset by commissions paid by Excellus.

John Abbott moved, Bruce Capron seconded a motion to approve the Gallagher Service Agreement with an expiration date of June 30, 2023.

Vote: All in favor.

- G. 2019 Audit and Management Letter – Steve Roland presented the 2019 Audit and Management Letter prepared by the plan's independent external auditors. Steve highlighted that no recommendations or comments were included in the Management Letter.

Darrin Winkley moved, John Abbott seconded the Motion to accept the independent external audit report for the year-ending December 31, 2019.

Vote: All in favor.

## II. Updates

- A. COVID-19 – Scott Covell highlighted changes to the benefit design of the Plan in response to COVID-19. There is no co-pays for COVID-19 related tests or illnesses. Charles McLaughlin noted that the Plan made same benefit changes as fully-insured were required to. Charles and Brian presented their estimates as to what they project impact of COVID-19 will have on the Plan performance. Two potential impacts were noted – 1) direct impact by members with long hospital stays requiring ventilators; 2) impact on plan because of state-wide shut down protocols. Overall, impact is projected to be low.

The Gallagher model projects claims at testing levels and infection rates less than 50% and 10%, respectively. Monroe County is trending at 5% testing and 0.5% infection rate. The model would estimate savings to be \$6.8 million, or 2.6% of projected claims. Discussion followed about impact the model has on the rate setting assumptions. Request was made to estimate impact of elective procedures as to not understate total claims.

- B. RASHP II Initiatives – Scott Covell reviewed a summary of proposed initiatives for 2020 in order to flatten the medical inflation curve. Initiatives are summarized in the following buckets: Administrative efficiency and member engagement/education; Rx education, contract negotiation and carve-outs; Medical claims audit, value-based claim management, carve-out, TPA service, reference-based pricing; and Other supplement benefit review. Charles highlighted the opportunity renegotiate Rx pricing with ExpressScripts. He noted

that the fee presented in a proposal by Bill Nulman would be paid for with commissions.

Bill Nulman provide an overview of the services Gallagher offers to lower pharmaceutical costs. Question and answer discussions followed. Scott proposed a motion to approve a contract with Gallagher. This motion was moved by John Abbott, seconded by Scott Steinburg.

Vote: All in favor.

- C. Excellus Performance Guarantees – Charles McLauchlin reviewed the rubric for Excellus Performance Guarantees. He highlighted that there were no missed benchmarks.
- D. SECURE Act – HIT / Cadillac Tax / PCORI Fee – Charles McLauchlin presented changes on taxes resulting from the Health Care Reform Act. He noted that PCORI fees will be in place for ten years, but HIT and Cadillac have been repealed.
- E. Renewal Timeline – Scott Covell reviewed the meeting timelines and key topics. He noted that September is a key timeframe for rate adoption.
- F. Excellus Health Plan Management Report – The presentation by Excellus will be rescheduled for June 23th via Zoom.
- G. Annual DFS Reports – The annual DFS report was submitted as required. Scott thanked the Gallagher team and MaryBeth Luther for their work to complete the report.
- H. Motion to adjourn at 3:38 PM moved by John Abbott, seconded by Darrin Winkley.

Vote: All in favor.

Respectfully submitted,  
Lou Alaimo