ROCHESTER AREA SCHOOL HEALTH PLAN II

Time: September 14, 2021

Zoom: Meeting ID: 861 4523 7779

Minutes - REVISED

The following were present:

Brockport	Absent
Churchville-Chili	Frank Nardone
Gates Chili	Mitch Ball
Greece	Romeo Colilli
Hilton	Adam Geist
Spencerport	Rick Wood
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	Dan Driffill
Pittsford	Darrin Kenney
Rush-Henrietta	Andrew Whitmore
Webster	Brian Freeman
West Irondequoit	James Brennan
Monroe #1 BOCES	Scott Covell, Lisa Ryan
Gallagher	Charles McLauchlin, Kara Burden, Geoff Gerbasi, Bob Jordan
Union Reps	Charlotte Kimberly-Haag, Dwayne Cerbone, Scott Steinberg, Bill Gregory, Kathy Occioni
Superintendents	Loretta Orologio, Jim Haugh
Others Present	Carrie Andrews (NYSUT)

Scott Covell called the meeting to order at 2:31 PM.

I. Action Items

A. Minutes – August 3, 2021 – Dwayne Cerbone moved, James Brennan seconded, that the minutes of August 3 be approved.

Vote: All in favor

II. Updates and Other Action Items

A. Claims vs. Premiums – Charles McLauchlin presented the comparison of claims, by plan, versus the premiums collected. Analysis shows each credible plan offered is trending towards the premiums covering claims.

B. Out-of-Area Coverage – Gallagher discussed follow-up analysis on expanding the coverage beyond the defined 31 county area. Gallagher presented numbers by County noting most contracts in Western NY and 2 contracts in lower Hudson and NYC. Gallagher presented estimated cost impacts for geographic areas outside of the current 31 county area. Discussion followed regarding impact of expanding coverage to state-wide.

   Motion to expand coverage area from 31 county to state-wide moved by Brian Freeman and seconded by Adam Geist.

   Vote: All in favor

C. Rx Rebates – Charles McLauchlin presented a concern that Rx rebates were trending lower than projected. Geoff Gerbasi presented an analysis of rebate trends and projections. Discussion followed about possible explanations for estimated current year shortfall and assumptions used for 2022. Trustees requested specific analysis to understand impact of Rx concierge program.

D. 2022 First Pass Renewal – Geoff Gerbasi and Bob Jordan explained the assumptions used in the first pass rate setting analysis. Geoff explained the assumptions used in enrollment and tier selection. For 2022, Gallagher is recommending a 0.5% adjustment in revenues due to recent loss in the number of contracts. He further explained the assumptions for Rx rebates. Key difference in rate setting methodologies between Excellus and Gallagher was summarized as follows:

   a. Medical trend – Excellus assumed 10.5% compared to 5.7% by Gallagher
   b. Claims Projections – Excellus uses incurred for 12 months compared to weighted 24-month trend, plus $20 million claim load versus trend load.
   c. Other Factors – Gallagher applies 2% load compared to 1.6% load by Excellus. In addition, Gallagher actuary assumes $12.7 million for Rx rebates compared to $11.6 million by Excellus.

When factoring the difference in assumptions, Excellus recommends an increase in rates of **11.4%** compared **7.8%** recommended by Gallagher. Bob Jordan further explained the rationale for the assumptions used by Gallagher. Discussed followed regarding contingency reserve and purpose of reserves.

Motion to approve overall rate increase of 7.3% using Gallagher's actuarial assumptions and **$14.2** million revenue assumption for Rx rebates moved by Bruce Capron, seconded by Andrew Whitmore.

Discussion followed regarding plan enrollment being down 4%, or about 500 contracts. Gallagher and the Board will monitor enrollment trends and evaluate changes as districts rebuild staffing with federal dollars and return to full capacity.

Vote: All in favor

E. Motion to adjourn at 4:13 PM moved by Matt Stevens, seconded by Dan Driffill.

Vote: All in favor.

Respectfully submitted,

Lou Alaimo