



Rochester Area School Health Plan II

ROCHESTER AREA SCHOOL HEALTH PLAN II

Time: December 15, 2021

Zoom: Meeting ID: 819 5929 5093

Minutes

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	Absent
Brighton	Absent
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
Gallagher	Charles McLaughlin, Kara Burden, Geoff Gerbasi, Sharon Brognia
Union Reps	Charlotte Kimberly-Haag, Dwayne Cerbone, 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 – September 14, 2021 – Charles offered corrections to certain numbers documented in the minutes. Corrections to specific rates increases will be reflected in the revised minutes. Dwayne Cerbone also requested that the minutes reflect discussion on plan enrollment and the decrease in contract numbers being down 4%.

Dwayne Cerbone moved, Adam Geist seconded, that the minutes of September 14, as amended, be approved.

Vote: All in favor

B. Treasurer’s Report for the Period Ending September 30, 2021. Matt Stevens moved, Darrin Kenney seconded, that Treasurer’s Report for the period ending September 30, 2021 be approved.

Vote: All in favor

C. Gallagher Management for the Period Ending September 30, 2021. Geoff Gerbasi provided summary of year-to-date reporting through September 30, 2021. He discussed claim trends relative to prior quarters. Claims are trending 1% below budget. However, he noted that enrollment is 4% below initial budget.

Revenues are trending below budget due primarily to lower-than-expected premiums collected resulting from the decreased enrollment. Rx rebates are projected to be \$2.5 million less than projected. Total projected deficit is projected at \$7.85 million. This shortfall will reduce opportunity to achieve the budgeted contribution to reserve. Charles McLauchlin noted that the unplanned DFS audit expense will be reflected in subsequent quarters.

Geoff noted increases in inpatient, outpatient, and professional service claims in the Claims Comparison by Service Type indicating a rebound from services that may have been previously deferred due to COVID. Charles McLauchlin noted that claims comparison is more typical to pre-Covid numbers.

John Abbott moved, Brian Freeman seconded, that Gallagher Management Report for the period ending September 30, 2021 be approved.

Vote: All in favor

D. Election of 2022 Officers – Scott Covell nominated the following slate of officers to continue in the their respective roles for the 2022 calendar year:

1. Scott Covell, Chairperson
2. John Abbott, Vice Chairperson
3. Steve Roland, Treasurer
4. Lou Alaimo, Secretary

Dwayne Cerbone moved, Darrin Kenney seconded approval of the 2022 officers.

Vote: All in favor.

II. Updates and Other Action Items

- A. Preliminary Results from Claims Audit – Charles McLauchlin provided an updated on the claims audit. He explained process by which claims were selected and described the scope of audit. Charles noted no issues on prescription drug claim, but noted several medical claims that Excellus is researching. Issues related to apparent duplicate payments, coordination of benefits, and eligibility and pricing issues. Stonebridge expects to issue its final report in March, 2022.
- B. DFS Audit – Scott Covell provided an update on the DFS audit. During the audit exit conference, Scott shared that DFS has 8 total recommendations: 1 related to financial, 5 related to market conduct, and 2 related to IT and cyber security. He summarized the detail of each recommendation. The full report will be shared with the Board once finalized.
- C. Rx Update – Charles McLauchlin discussed the Rx Concierge Program. The Board spends about \$700K in fees and realized \$1.0 million of savings. Gallagher learned that one-half of the net savings is reduced by lost rebates. Gallagher is exploring other options that may be offered by Gallagher’s pharmacy benefit practices that may achieve greater net savings. Discussion followed about saving margins and impact on members of the Plan.

Geoff Gerbasi provided an updated analysis on Rx rebates. He provided history of negotiations to increase rebates and the investigation by Excellus when rebates received were less than projected. The estimate was off partially because Excellus provided inaccurate data. They have since corrected this and met the Plan half-way in offsetting the anticipated budget shortfall. Excellus agreed to enhance the rebate by increasing the per-script amount and increasing the guarantee to 90% (up from 85%). With these two enhancements, the Plan is estimated to meet budget projections of \$14.0 million by the end of 2023. Charles noted that the script counts used in the assumptions appear to be accurate. Both Charles and Geoff offered partnership with the pharmacy practices group to continue to monitor Rx rebates. Board members had opportunity to ask clarifying questions.

Scott Covell recognized the Gallagher team for their efforts to renegotiate the terms with Excellus to reduce the budget deficit.

Gallagher offered suggestion to have their pharmacy practices team participate as regular members of the RASHP II management team. With this dedicated effort, Gallagher can monitor claims real time and notice new trends sooner in the process. Additional benefit of the pharmacy practices group is the opportunity to bring a clinical perspective to the analysis as well as financial oversight. Additional fees would be paid by commissions already paid to Gallagher. Discussion followed about other benefits of utilizing the pharmacy practices group. The Board asked for a description of the deliverables to the Board and Charles responded with extending the option to have the point person meet with the Board to customize service and reports.

- D. 2022 Meeting Dates & Agenda – Kara Burden presented the meeting schedule and anticipated topics. Future meeting invites will be coming from Sheila Nesbit. Decision to meet in-person or Zoom will be determined at a future date.
- E. Other Topics – Mitch Ball asked for an explanation as to why new cards were mailed to member. The mailing was required because of the new transparency rules. There was confusion about the dates on the cards and the fact that cards were also mailed to dependents.

Romeo Colilli shared an example of a cancellation noticed received by a Greece member. Kara responded that the issue appeared to be Greece specific.

Dwayne Cerbone asked about opportunity for Board members to receive communication when mass communications are going out all members. Discussion followed.

Sharon Brognia discussed turnover in Benefit representatives and opportunities to collaborate with Gallagher.

Jessica Jackson inquired about utilization of district's opening self-service portal with BusinessSolver. Kara Burden explained process and requirements of going live to employees. Sharon Brognia reminded Board members about some of the benefits of the portal.

Scott Covell offered the Board's support and congratulations to Sharon Brognia. Her RASHP II family welcomed her back to the team full-time and applauded her for her courage and perseverance.

F. Adjournment – Motion to adjourn at 2:36 moved by John Abbott, seconded by Mitch Ball.

Vote: All in favor.

Respectfully submitted,



Lou Alaimo