

MINUTES
Eastern Connecticut Health and Medical Cooperative
Board Meeting – August 16, 2018
2:00 - 3:30 pm- Room 107
LEARN, 44 Hatchetts Hill Road, Old Lyme, CT

Members Present: Ian Neviaser, Holly McCalla, Peter Nero, Deborah Martin, Eileen Howley, Nat Brown, Maryann O'Donnell, Carolyn Dickey, Jan Peruccio, and Julie Pendleton

Others present: Tom Kowalchik, Jerome Lord, Mike Donnelly, Kelly Pappa and Lynn Nenni (all others present left at 3:31p.m.)

Meeting called to order at 2:02 p.m.

Discussion and Possible Action

1. Agenda:

No changes

2. Minutes:

Motion to approve the minutes of the June 21, 2018 meeting made by Eileen Howley and seconded by Nat Brown.

Motion approved 10-0

3. Financial Status Report:

Lynn reviewed the financial reports through June 30, 2018. The June 2018 financial report was reviewed. The report showed an operating loss of \$973,545.79 for the July 1, 2017 through June 30, 2018 timeframe. The report also showed rebates of \$219,141.55 and administrative costs of \$13,052.34. The final net position as of June 30, 2018 was negative \$58,312.33. The change in net position since June 30, 2017 was negative \$767,456.58. Total current assets were reported as \$1,016,844.77 with total liabilities of \$1,075,157.10. The new IBNR is \$988,771.00.

It was noted that LEARN made a payment on behalf of the consortium of \$8,422.89 in July. LEARN also volunteered to make a cash infusion into the collaborative of \$300,000, in order to address their liability if the collaborative was to dissolve. The board deferred discussion of this offer to later in the meeting.

Lynn N. distributed the month of July Financial Report, and it was noted that these reports do not include Region 18's contribution for the month. For July, there was an operating gain of \$46,360.65 with admin costs of \$9,925.64. The resultant change in net position for the month of July 2018 was \$36,435.01. Total Net Position at July 30, 2018 was negative \$20,887.56.

4. Vendor Updates

Tom K. opened the report by pointing out that the claims were awful last year with several large claimants that were unpredictable. He discussed some of the history and challenges for setting rates. Ian N. asked about establishing premiums and stop loss, and it was noted that the total potential exposure at the end of the year is \$467,000. Cigna has stated that they may account for that difference. Further review of the ECHMC information noted that in 2016 the collaborative was below the CIGNA norm for stop loss, and in 2017 we were well beyond it. An evaluation of the data by Cigna indicates that they are fairly confident that the worst is behind us regarding large claimants. It was pointed out that medical trend has been 8-10%. Over three years, our increase trend has been 8.5%. The discussion pointed out that in July, we did not have enough money on hand to pay the claims and we need to have a cushion in the bank. This is the concern of all members of the collaborative and it was agreed that the ECHMC members need to set rates at an appropriate level, and have a set process and timeline that we all agree upon for rate setting.

Cigna provided an information folder that M. Donnelly reviewed that included the renewal rate and the projected claims, and the 75% increase in catastrophic claimants.

K. Pappa discussed the large claimants explained on the Catastrophic Detail worksheet, and noted that a number of the claimants are no longer on our plan. During rate setting, large claims can be examined and the information utilized to examine trends and set rates that can account for some of the large claims we have seen.

Tom K. agreed to bring information on the USI Resource Center, and the group's Life Insurance with the Hartford as a possible resource related to an Employee Assistance Program (EAP).

OLD BUSINESS:

1. Review of updated meeting schedule for 2018-2019

Meeting dates were reviewed.

NEW BUSINESS:

1. Welcome New Member

Ian Neviasser and Holly McCalla were welcomed as new members to the ECHMC Board of Directors. The Region 18 Board of Education appointed them as directors and the appropriate documentation has been signed.

Motion to add an agenda item to review the current status, issues and concerns of the ECHMC made by N. Brown and seconded by M. O'Donnell.

Motion approved 10-0

2. Review of Current Status, Issues, and Concerns of ECHMC

The Board members discussed the financial status, IBNR, and the current negative net position. The members agreed that the board should take the most conservative approach to setting rates and be sure that we have the fundamental information needed to make a decision when setting the

rates. One suggestion was to cover the full amount up to stop loss so we protect our financial interests and can cover our costs. N. Brown suggested creating a dashboard of information that would give us a quick glance view to understand the monthly data, and this could include items such as trend (graph), health indicators, a standard ratio of large claims, financial progress up or down, the differential between stop loss and our budgeting, etc. N. Brown, I. Neviasser, and J. Pendleton agreed to work on the metric indicators and share ideas at the next meeting. Anyone with input for the subcommittee should email one of the members.

Holly M. left at 4:09 pm

Maryann will attempt to get minutes done in first week and send to J. Peruccio who will send them to Tom so he will know what we are asking for at the next meeting. The board would also like to have Cigna come to a meeting to update in Oct-Nov or Feb-March.

3. Review the process for monthly payments by members

It was agreed that the process would be codified at the September meeting.

4. Agenda setting for the September 2018 meeting

Include in Old Business:

- a. Review of data and dashboard recommendations
- b. Codify the process for payments
- c. Officially share with Tom the changes to the presentations and Cigna

Next Meeting –September 20, 2018 at 2:00 p.m.

Motion to adjourn at 4:19 p.m. by J. Pendleton and seconded by E. Howley.

Motion Approved: 10-0

Respectfully Submitted, Maryann O'Donnell

