

MINUTES
Eastern Connecticut Health and Medical Cooperative
Regular Board – April 26, 2018 from 2:00 – 3:30 pm
LEARN, 44 Hatchetts Hill Road, Old Lyme, CT

Members Present: Maryann O'Donnell, Carolyn Dickey, Jan Peruccio, Julie Pendleton, Nat Brown (left at 4:26 pm), and Eileen Howley; Christine Goupil and Dawn Norton (arrived at 2:14 p.m.)

Others present: Tom Kowalchik and Lynn Nenni

Meeting called to order at 2:07 p.m.

STANDING AGENDA ITEMS:

1. Agenda:

No changes

2. Minutes:

Motion to approve the minutes of the February 15, 2018 meeting made by Eileen Howley seconded by Nat Brown Motion approved 5-0-1 (Carolyn Dickey)

3. Financial Status Report:

The March 2018 financial report was reviewed. The current net position as of March 31, 2018 is \$556,984.93. The change in net position since June 30, 2017 was a negative \$152,159.32. The change in net position since February 28, 2018 decrease is a negative \$412,510.09. Total current assets were reported as \$1,446,289.67 with total liabilities of \$889,304.74.

Nat B. shared a graph of the past three years of total claims paid and it was reviewed by the group. Discussion points included how do we budget to build the reserve to an appropriate level, what is the total premium annual amount that would be needed, and how to reimbursements factor into the determination. It was noted that the collaborative had previously set a goal of reaching 1 million dollars by the close of the fiscal year, and that we are not going to meet that goal.

4. Vendor Update:

Tom K. shared detailed information on the collaborative status. He noted that approximately 90 individuals are accounting for 54.6% of the claims. Large claimants are greatly impacting our experience this year, and 7 individuals have exceeded the stop loss. The collaborative expects to receive approximately \$1.2 million in reimbursements related to stop loss claims this year. The month of March was noticeable in that 3 individuals hit the stop loss and there were a couple of large claims attributed to March, with 13 members driving the unusually high

claims costs this month. Tom shared that this year can be categorized as a catastrophic year in which we have many large claimants in the collaborative membership.

Discussion about rate setting and how to protect against volatility continued. Ideas shared were to look at all aspects of our structure, growing the collaborative membership, appropriate setting of rates, and examining stop loss. Tom K. reviewed how the rates are calculated and shared a worksheet that outlines the calculation process. He then shared the new allocation rate calculations and various adjustments that would help to build the reserve to ensure that the collaborative remains in a strong financial standing. Tom K. indicated that the updated IBNR had increased.

Tom K. shared information about costs related to the State Plan, as well as discussed comparisons of rate increases if the collaborative were to move to the State Plan or a fully insured model. In both cases, the current renewal projections are greater than the collaborative would need to continue its present course.

OLD BUSINESS:

1. Report of Ad Hoc group regarding suggested language changes to by-laws for new full and partial membership

Draft language has been sent to the attorney for review but we have not received a response.

2. IBNR Update

Provided in Vendor Update

3. Renewal projections and Stop Loss Update

Provided in Vendor Update

NEW BUSINESS:

1. Finalize Renewal Projections

Motion to set the renewal rate at 9.89% for the 2018-19 fiscal year made by Julie Pendleton and seconded by Nat Brown.

Discussion: It was noted that this renewal rate was higher than many of the collaborative members had planned for budgeting purposes based on early projections. The group discussed the impact of this rate on each of the groups and a caucus was called for the purposes of individual member discussion. After a short caucus the group discussed the need to set the appropriate rate for the collaborative and creative ways to mitigate or support the impact on any one entity within varying time periods.

Nat Brown (left the meeting at 4:26 p.m.)

A vote on the motion was called. Motion Passed: 7-0

2. State Plan Information

Provided in Vendor Update.

3. New Member Analysis and Information

Tom K. provided a detailed analysis of a new potential member. A question was raised about the factors to consider whether the new member would be a good addition to the collaborative. Tom K. shared that factors such as overall claims, large claims, and plan design are the considerations that he evaluates. He then proceeded to review this information with the collaborative members.

Jan P. suggested the need to consider holding a special meeting next week in order to fully review all of the information and further evaluate the candidacy prior to voting on the measure. A special meeting was agreed to and will be held on May 2, 2018 at 1:30 p.m.

4. Agenda setting for the May 2, 2018 meeting

- New Member Analysis and Discussion
- Proposed bylaw changes
- Further Discussion re: 2018-19 Rates

Next Meeting – May 2, 2018 at 1:30 p.m. – Special Meeting
May 17, 2018 at 2:00 p.m.

Motion to Adjourn at 5:03 p.m. by Eileen Howley and seconded by Julie Pendleton

Motion Approved: 7-0-0

Respectfully Submitted, Maryann O'Donnell

