

April 18th, 2019 OPEH&W Board of Review Meeting

ACCO Building, 429 NE 50th Street, Oklahoma City, Oklahoma

Board Members Present:

Jimmy Beavin- Roger Mills County
Mike Bouvier – Washington County
Mike Brittingham - Pushmataha County
Heath Dobrovlny – Kingfisher County
Rick Garrison – Elk City Schools
Tammy Malone – Craig County
Kristie Moles – Pawnee County
CJ Rose – Beaver County
Kathy Ross – Johnston County
Lynn Smith – Ellis County
Jack Strain – Texas County

Board Members Absent:

Cindy Bobbitt – Grant County
Karen Hickman – Harper County
Gina Richardson – Cimarron County
Tahasha Wilcots – Seminole County

Guests:

Hope Trammell – Pittsburg County
Robert Floyd – City of Blanchard
Keressa Compton – Pontotoc County
Steve Harzman – City of Bethany
Kristen Dowell – Washita County
Daniel Ofsthun – City of Blanchard
Kimberly Meek – City of Duncan
Keressa Compton – Pontotoc County
Wendy Gavin – CED 4
Kevin Duke – CPA
Brian Mauck- American Fidelity
Dana McElroy – Plan Administrator
January Gilmore – Plan Administration Office
Ross Naylor - Plan Administration Office

Tammy Malone called the meeting to order at 10:00 AM – quorum present.

Agenda Item A –Approval of the minutes of the last Board Meeting dated January 24th, 2019.

Mike Bouvier made a motion to approve the minutes. Heath Dobrovlny seconded. Jimmy Beavin, Mike Brittingham, Rick Garrison, Tammy Malone, Kristie Moles, CJ Rose, Kathy Ross, Lynn Smith and Jack Strain all voted aye; motion carried.

Agenda Item B – Discussion and possible action thereon regarding financial position of the Plan ending 2-28-2019.

Dana McElroy reviewed the financial position of the Plan. Total cash on hand was \$-105,323.00. Money did not get transferred from the sweep account so it shows a negative balance. Express scripts rebates owed was \$1,718,899.00. Total unpaid premiums was \$3,257,308.00. Total current assets \$8,574,306.00. Liabilities totaled \$2,667,925.00. Bank loan payable was \$2,354,259.00. Total premium income was \$34,944,130.00. RX rebates received was \$1,718,899.00. Subrogation income was \$101,563.00. All other income received was \$60,979.00. Total income was \$36,825,389.00. Total claims expense was \$29,168,513.00. Administrative and claims processing fees were \$2,582,340.00. Stop-loss fees were \$761,856.00. Group life insurance was \$1,704,637.00. Fidelity insurance was \$2,311.00. Vision Insurance was \$376,313.00. All other expenses totaled \$186,298.00. Leaving a net income of \$2,022,485.00.

Jack Strain made a motion to approve the financial position of the Plan. Lynn Smith seconded. Jimmy Beavin, Mike Brittingham, Mike Bouvier, Heath Dobrovlny, Rick Garrison, Tammy Malone, Kristie Moles, CJ Rose and Kathy Ross all voted aye; motion carried.

Agenda Item C – Discussion and possible action thereon regarding annual Audit ending 6-30-2018.

Kevin Duke presented the audit for the Plan year ending 6-30-2018. Total assets were \$10,500,000 compared with \$10,000,000 at the end of 2017. Total liabilities and expenses reduced by over \$3,000,000 as a result of fewer large claims. There were no findings or adjustments to report. The Plan is strong and being managed well by the Plan Administrators.

Mike Brittingham made a motion to approve the Audit ending 6-30-2018. Mike Bouvier seconded. Jimmy Beavin, Heath Dobrovolny, Rick Garrison, Tammy Malone, Kristie Moles, CJ Rose, Kathy Ross, Lynn Smith and Jack Strain all voted aye; motion carried.

Agenda Item D – Discussion and possible action thereon regarding Administrator Contract.

There is no change to the administrator contract. Tammy Malone has contacted the Boards attorney, Whitten and Burrage and asked them to review the contract.

Jack Strain made a motion to approve the Administrator contract pending the review with the attorney. Heath Dobrovolny seconded. Jimmy Beavin, Mike Brittingham, Mike Bouvier, Rick Garrison, Tammy Malone, Kristie Moles, CJ Rose, Kathy Ross and Lynn Smith all voted aye; motion carried.

Agenda Item E – Discussion and possible action thereon regarding approval of new entity joining the Plan.

Roger Mills Rural Water district #2 enrolled on the plan for March 1.

Jimmy Beavin made a motion to approve the new entity. Lynn Smith seconded. Mike Bouvier, Mike Brittingham, Heath Dobrovolny, Rick Garrison, Tammy Malone, Kristie Moles, CJ Rose, Kathy Ross and Jack Strain all voted aye; motion carried.

Agenda Item F – Discussion and possible action thereon regarding marketing of the Plan.

The Plan Administrators are looking into getting approved by Insure Oklahoma to help employees with the cost of premiums. There is also a plan to start attending County and City conferences.

No action required.

Agenda Item G – Discussion and possible action thereon regarding Board change to add two new Board Members.

The Plan has grown and has as many Cities enrolled as Counties. Cities and Towns have voiced wanting the opportunity to have positions on the Board. In order to add new board members the Interlocal Government agreement will need to be updated since it specifically states the Plan has 15 voting members. The Board also does not currently have any bylaws in place or guidelines to follow. The Chairman will create a committee of 3 to establish the Bylaws and include the addition of new Board Members.

Mike Brittingham made a motion to form a committee to create Bylaws to include the addition of 2 board members. Kathy Ross seconded. Jimmy Beavin, Mike Bouvier, Heath Dobrovolny, Rick Garrison, Tammy Malone, Kristie Moles, CJ Rose, Lynn Smith and Jack Strain all voted aye; motion carried.

Agenda Item H – Discussion and possible action thereon regarding IRS letters regarding 1094-1095 forms.

Some groups have received an IRS notice on employees who were no longer employed and then went to the Exchange and received the premium tax subsidy. The notice is assessing a penalty for these employees because they believe they were employed while they were receiving the subsidy. Do not pay the penalty. Send your notices to the Plan administrators, they will be sent to the Plan's attorney, Jan Dumont, and she is responding on the Plan's behalf.

No action required

New Business unforeseen at the time of the posted agenda –

The St. John's Health system has agreed to enter into the Blue Preferred network. The Plan administrators notified all groups currently paying for the BlueChioce plan to allow them to change to the Diamond Preferred plan for the new plan year.

Express Scripts is starting a new program for diabetics that will reduce the cost of insulins. This reduced copay change should go into effect at the end of the year.

Jack Strain made a motion to adjourn. CJ Rose seconded. Jimmy Beavin, Mike Brittingham, Mike Bouvier, Heath Dobrovolny, Rick Garrison, Tammy Malone, Kristie Moles, Kathy Ross and Lynn Smith all voted aye; motion carried.

Secretary/Board of Review

Attested To/ Notary

My Commission Expires

Chairman/Board of Review

Attested To/ Notary

My Commission Expires