

BOSSIER PARISH POLICE JURY
INSURANCE COMMITTEE MEETING
MINUTES

Mr. Tom Salzer, Chairman
November 6, 2024

The Insurance Committee of the Bossier Parish Police Jury met on this 6th day of November, 2024, immediately following the Health, Water Sanitation & Sewer District Committee, in the Police Jury Conference, Bossier Parish Courthouse, Benton, Louisiana.

Mr. Tom Salzer, Chairman, called the meeting to order, with the following members present: Mr. Tom Salzer, Chairman, Mr. Doug Rimmer, Co-Chairman, Mr. Glenn Benton, and Mr. Chris Marsiglia

Others present for the meeting:

Mr. Bob Brotherton

Mr. Jimmy Cochran

Ms. Ashley Ezell

Mr. Jim Firth

Ms. Julie Gill

Ms. Pam Glorioso

Ms. Monica Grapre

Mr. Eric Hudson

Mr. John Ed Jordan

Mr. Heath Lyles

Ms. Megan Ramos

Dr. Ken Ward

Mr. Jason Weinland

Mr. Rod White

Ms. Lisa Wilson

Mr. Jason Weinland, Alera Group Benefits, presented a PowerPoint highlighting employee benefit plan costs for 2024, and forecasting employee benefit plan costs for the remainder of 2024. Mr. Weinland provided a copy of the presentation to the committee.

Mr. Weinland stated that it is imperative for the parish to lock down its stop loss carrier at this time. He stated that September claims have recently come in at a total of approximately \$550,000.00, which is much higher than the usual \$200,000.00 to \$250,000.00 amount for September, with the majority being prescription drug costs. He further stated that the deadline to select a stop loss carrier was November 1st and advised that he provided executive personnel with information to make a timely selection. Mr. Weinland advised that the parish has competitive offers for stop loss coverage to make the best decision possible.

Mr. Weinland stated that prescription drug costs are leveling out and advised that he is looking at cost savings programs with Blue Cross Blue Shield. He stated that a new user-friendly electronic platform for benefits, called EASE, will roll out during open enrollment this year. He further stated that this will allow for a paperless open enrollment process and provides an extra layer of accountability for employee selections.

Mr. Weinland presented 2024 cost projections and explained that there is an approximate \$900,000.00 surplus for the year. He stated that the per employee per month claims cost has decreased by eight percent. He further stated that it is his recommendation that the parish continue with its existing plans.

Mr. Weinland discussed stop loss claims for the year and explained that there are two types of stop loss claims, being specific stop loss insurance and aggregate stop loss insurance. He stated that specific stop loss insurance protects the parish in situations of large claims, engaging once a claim reaches \$175,000.00. He further stated that there are three large claims processed, with two additional large claims, which have not yet been processed. Mr. Weinland stated that the stop loss must be locked to minimize premiums being increased. He stated that if those claims are paid by the end of the year, there will be no issues, and it will not affect the stop loss carriers next year. He further stated that the current claims involve three employees at a total of \$480,070.00 and advised that last year the claims involved five employees at \$695,705.00. Mr. Weinland stated that the two large claims began coming in last week and advised that they are significantly less than he anticipated but advised that the amount will continue to increase as the remaining claims are processed.

Mr. Weinland stated that gross prescription drug costs have decreased 13% over the previous year. He stated that the average cost per prescription drug increased slightly, while the total gross prescription drug costs decreased. He further stated that there are five drugs which comprise the bulk of prescription drug costs and advised that is the same trend he sees across the majority of his clients. Mr. Weinland stated that a new development in the industry is biosimilar drugs, which operate like the current name brand drugs, at a significantly lower cost. He stated this development offers a synthetic alternative to high-cost drugs. He further stated that an override is available for situations when it is medically necessary for a patient to have the original drug.

Mr. Weinland stated that diabetic drugs, such as Mounjaro, will soon be approved for other diagnoses such as fatty liver, arthritis, addiction, and possibly for dementia. He stated that while the plan prohibits prescriptions for these drugs solely for weight loss, doctors who wish to prescribe these types of medications will have other options for coverage besides diabetes. He further stated that the medication is effective and helps with other comorbidities that accompany obesity. Mr. Doug Rimmer asked if there are any biosimilar drugs that mimic these types of drugs. Mr. Weinland stated that he has not seen any biosimilars for Mounjaro and Ozempic yet. He stated that his only concern is the speed in which they were developed and the rate at which these drugs are being approved for other diseases.

Mr. Weinland stated that the prescription drug rebate percentage for the year is approximately 38% of all dollars spent. He stated that a 30% return is good, while a 35% return is

excellent, and advised that this puts the parish in a great position for the total cost of drugs. He further stated that it would make much more sense if drugs were just sold at the actual cost, instead of a higher rate with a rebate. Mr. Weinland stated that during President Trump's first term, he attempted to institute this change, but the manufacturers, insurance companies, and pharmacy benefit managers (PBM's) pushed back to stop it because they typically receive the rebates. He stated that fortunately, the parish negotiated to receive the rebates on its prescription drug costs, which has served the parish well.

Mr. Weinland stated that the specific reinsurance, which covers claims over \$175,000.00, has increased by \$25,000.00, which is a good renewal. He stated that he estimates the parish will receive approximately \$500,000.00 in rebates next year and advised that this is a great amount in rebates. Mr. Jim Firth, Facilities Director, stated that prior to partnering with Mr. Weinland, Blue Cross Blue Shield received all prescription drug rebates for the parish. Mr. Weinland explained that when entities move to a self-funded plan, it significantly decreases the costs paid to the insurance company.

Mr. Weinland stated that the current stop loss coverage is \$361,000.00, and he shopped out stop loss offers and the parish received two good offers. He stated that the HM Life offer is \$275,000, while the Gerber Life offer is \$270,000.00. He further stated that the aggregate reinsurance, for claims below \$175,000.00, aggregates to a ceiling and if small claims go over that ceiling, the aggregate contract reimburses the parish. Mr. Weinland stated that the parish has been close to this aggregate ceiling only once. He stated that the aggregate deductible is the first \$40,000.00 that the parish pays on a spec-claim, which was set many years ago to reduce the base cost. He further stated that Gerber Life is a non-preferred Blue Cross carrier, which will increase the cost for administrative fees. Mr. Weinland stated that the total insurance cost for HM Life is \$348,000.00, and Gerber Life is \$349,000.00. He stated that both are good companies, but if it is an independent company, the parish has the ability to push claims through for payment at the end of the year. He further stated that the deciding factor is that the HM Life offer does not cover run-in claims, which are claims incurred during the plan year but not received until after January 1st of the following year. Mr. Weinland stated that it is entirely possible that a claim is incurred in or near the fourth quarter of the year, but not all claims are received until the first quarter of the next year. He stated that this caveat to the HM Life offer is what removes it from consideration. He further stated that Gerber Life's offer did not contain such exclusion of coverage for run-in claims.

Mr. Salzer asked if there are stop loss carriers which refuse to pay claims received after January of the following year. He stated that he cannot imagine any entity choosing a company that has no run-in claim coverage, as the time to process insurance claims often takes months. Mr. Weinland discussed scenarios involving stop loss claims, normal claim lag, and run-in coverage. He stated that it is seen in the contract language and this exclusion is what prevented the parish from accepting HM Life's offer.

Mr. Weinland stated that the dental plan is fully self-insured and operates well. He stated that he has projected costs through the end of the year and does not recommend any changes to the dental plan at this time. He further stated that there is an accrual on the plan even with additional benefits added through the years. Mr. Weinland stated that he does not recommend any changes to the vision plan.

Mr. Salzer asked if there is any choice for another administrator for dental and vision if employees have issues with Guardian Life. Mr. Weinland stated that dental is fully self-insured, advising that Guardian only processes the claims. He stated that the parish does have a choice in who processes its claims. He further stated that Guardian charges approximately \$6.00 per employee per month for claims processing and providing the network. Mr. Salzer asked if Mr. Weinland's office has received any feedback from employees regarding issues with Guardian. Ms. Lisa Wilson, Human Resources Director, stated that she has only received positive feedback concerning Guardian. She stated that the question she most often receives from employees is regarding coverage for orthodontics and dental implants. Mr. Weinland stated that he researched orthodontics and dental implants last year as requested. He stated that if the parish chooses to cover orthodontics, there will be a bump in plan costs the first year as everyone utilizes the coverage, but it will level out. He further stated that dental implants will cause a similar increase during the first year of coverage. Ms. Wilson stated that it is a small percentage of employees who have asked about orthodontics coverage, advising that there have only been two to three requests made to her. Mr. Weinland stated that approximately half of the plans he has cover orthodontics, so the parish is not necessarily out of the fair market in its decision to not cover orthodontics. He stated that if it becomes an issue in the future, he is happy to look at orthodontics coverage anytime the jury requests.

Mr. Weinland discussed short term disability, long term disability, and life insurance, and advised that all will be loaded in the new electronic platform for open enrollment this year. He

stated that the group life insurance is currently under a rate guarantee until next year.

Mr. Weinland stated that the retiree plan has a rate increase to \$391.00 per month for 2025. He stated that he will shop the market for 2026 plans and advised that a lot of funding is going to Medicare Advantage plans. He further stated that he has other plans which pay 100% of everything that are less than the parish's 2025 rate. Mr. Weinland stated that the government sends money to the carriers monthly, and the carrier must manage every member's care for that amount of money. He stated this is why we are seeing benefits added to these plans, such as silver sneakers and a portion of dental premiums. He further stated that he has plans that are in the low \$300.00 range, but the benefits pay 100% of everything. Mr. Weinland stated that the Inflation Reduction Act changed the prescription drug component and advised that the maximum out of pocket is now \$2,000.00. He stated that it is his opinion that the retiree rate is becoming high, and he will begin shopping the market during the second quarter of 2025. He further stated that he will provide more information on retiree coverage and rates at the mid-year visit next year.

Mr. Salzer asked if the 100% coverage plans are limited to only the geographical area in which the plan is located. Mr. Weinland stated that individual plans are limited to just the local area but advised that group plans are not limited in that way. He stated that his office does not operate with individual Medicare Advantage plans due to how they operate. He further stated that group plans are based on the rule that anyone who takes Medicare must take the group plan. Mr. Weinland advised that for group plans, there are no networks, the preauthorization requirements are significantly less, and the formulary is greater. He stated that the benefits are much better on some other plans he currently holds and advised that he will shop the retiree plan out for 2026. He further stated that a significant amount of prescription drug claims was moved off the plan and transferred to the government previously, so that has been a tremendous savings for the parish. Ms. Wilson asked if Mr. Weinland can project an approximate amount for the monthly rate if the parish is able to shop the retiree plan for 2026. Mr. Weinland stated that he recently placed a retiree plan for approximately \$320 per month at 100% coverage.

Mr. Weinland presented information regarding the new enrollment platform, EASE. He stated that every employee will receive an email with a link to view and elect necessary changes to their coverage. He further stated that it is the same process previously done on paper, but this new system is all electronic. The jurors asked when open enrollment meetings will be held. Ms. Wilson advised that open enrollment meetings will be November 18-24, 2024, and advised that

she will send out notifications for the meetings. Mr. Weinland stated that retirees' open enrollment will continue on paper forms, as done in the past.

Mr. Salzer stated that he appreciates that there is a surplus, prescription drug costs are down, and there is no recommendation to increase premiums. There was no opposition to proceeding with a vote during today's committee report to approve the retiree plan and authorize the execution of documents. Mr. Weinland stated that he will send all documents for electronic signature.

There being no further business, the meeting was adjourned at 11:37 a.m. by the Chairman.

MEGAN C. RAMOS
INTERIM PARISH SECRETARY

TOM SALZER, CHAIRMAN
BOSSIER PARISH POLICE JURY