

Joint Administrative Services Board
September 25, 2023 Regular Meeting 10:00 am

At a regular meeting of the Joint Administrative Services Board held on Monday, September 25, 2023, at 10:00 am in Meeting Room AB, Berryville Clarke County Government Center, 101 Chalmers Court, 2nd Floor, and Berryville, Virginia.

Members Present: Chip Schutte, David Weiss, Chris Boies, Rick Catlett

Members Absent: Sharon Keeler

Staff Present: Brenda Bennett, Catherine Marsten

Others Present: None

1. Call to Order

At 10:01 am, Chairman Chip Schutte called the meeting to order.

2. Determination of Quorum

Chairman Chip Schutte determined that a quorum was present.

3. Approval of Minutes

Chris Boies made a motion, seconded by David Weiss, to approve the minutes of the March 27, 2023 regular meeting and the April 10, 2023 special meeting as presented. The motion carried by the following vote:

Rick Catlett	-	Aye
Chris Boies	-	Aye
Sharon Keeler	-	Absent
Chip Schutte	-	Aye
David Weiss	-	Aye

4. Update on Remaining Outstanding Issues with Benefit Plan Administrators (BPA)

Brenda Bennett presented the following:

- There are four major on-going issues with Benefit Plan Administrators (BPA) that staff has been attempting to resolve. These issues seem to be a result of BPA's accounting practices and mismanagement, rather than duplicity.
- BPA owes Clarke for premiums that retirees paid directly to BPA instead of going through Clarke's payroll. Staff tracked these transactions and determined that BPA owes Clarke \$2,217 in retiree credits. BPA has not disputed this amount and advised that they mailed a check a month ago, but it has not arrived. Staff has tried several different methods to receive this payment.
- Clarke has paid \$47,353 in duplicate claims, because BPA invoiced Clarke twice. Staff discovered this issue quite some time ago. When Clarke makes payments, the funds go in a bank account that BPA holds on Clarke's behalf and then BPA pays the providers directly from that account. For the duplicate claims Clarke paid, staff does not know if BPA paid the providers twice or if the duplicate payments are sitting in the account. BPA has not provided the details required to track these payment amounts.
 - Chip Schutte asked if Clarke receives any periodic statement for the fund account held by BPA.
 - Brenda Bennett answered that staff received a statement for June and has repeatedly requested statements for July and August.
- BPA contracts with a vendor, Beacon HCI, who facilitates refunds from providers who over-charged for claims. Providers pay these refunds directly to BPA. Staff has requested details showing that Clarke received these overpayment refunds.
- BPA states that all of the refunds are tied to spec claims, which were paid by reinsurance and not by Clarke. Staff has evidence to the contrary and believes that at least \$20,000 of these refunds are not for spec claims and are actually due to Clarke. Beacon HCI charges 25% of the refund collected as their fee. Clarke has paid close to \$32,000 in these fees, so it seems that substantial refunds are owed.
- If BPA can prove their claim that all of the refunds were for claims paid by reinsurance and not by Clarke, then BPA would need to reimburse Clarke for the fees paid to Beacon.
 - David Weiss asked if staff has contacted Beacon HCI for answers.
 - Brenda Bennett confirmed that Beacon HCI has provided some information but has not been able to provide necessary details.
- Clarke's contract with BPA ended June 30, 2022, but run-out claims continue to be paid after that. Clarke agreed to pay a flat rate for run-out claims in July, August, & September 2022, which totaled \$29,000. Since that time, BPA has advised that they have processed an additional \$528,183 in claims since October 1, 2022. This amount seems quite high given the timing.
- Staff responded to BPA that Clarke should not be penalized because BPA did not process claims in a timely manner. BPA President Morris Masinter advised that,

per contract, Clarke must pay BPA an administrative fee (8% of the claim amount) when the claim is processed, regardless of when the claim is received.

- Chris Boies inquired if the contract requires BPA to pay a claim within a certain time of receiving it.
 - Brenda Bennett responded it does not, from what she could see.
- BPA has provided several different data files but none of them add up to \$528,183 and staff is still waiting for sufficient details on the run-out claims. In the meantime, staff requested to pay BPA the flat rate for October, November, and December 2022. This would save Clarke about \$8,000, but BPA has not responded.
- The current balance in the account held by BPA for Clarke is \$260,000. BPA has offered to close the account, deduct the remaining run-out fees of \$42,000, and return the balance to Clarke but staff is hesitant to do so until more of the issues are resolved.
 - Chris Boies asked if those funds would go into the insurance account.
 - Brenda Bennett affirmed, adding that the insurance account is a separate fund and does not close out to the general fund so it should not affect carryforward.
 - Chris Boies added that those funds would provide some much needed cushion for the insurance account, which sometimes runs a month-to-month deficit.
- Staff has been corresponding with the BPA President Morris Masinter, who responds but has not provided answers or the requested information. If staff can investigate further for another month, they should be able to come up with some firm figures, but BPA's response is still uncertain.

Chris Boies

- Commented that these issues drain staff time and Clarke is unable to earn interest on the funds sitting in the BPA account, so this cannot continue into the next calendar year. Suggested that staff provide accurate figures for these discrepancies by the end of the year, so the JAS Board can decide whether to take legal action or to write it off.

David Weiss

- Agreed, adding that the run-out period and contractual obligation will be over at the end of the year.

By consensus, the JAS Board instructed staff to advise BPA that additional measures will be taken if requested answers and information are not provided within thirty days.

5. FY23 Audit Schedule

Brenda Bennett presented the following:

- Auditors will be on site during the week of October 30, 2023 to do fieldwork for the FY23 financial audit.

- Planning letter for the audit will go out about 2 weeks beforehand.
- The FY23 audit will be presented to the Board of Supervisors at their regular meeting on December 19.
- Final fund balance numbers will be available for the Finance Committee meeting on November 6, but will not be ready in time for the packet.

6. MUNIS Upgrades

Brenda Bennett presented the following:

- There was a significant software upgrade in July 2022 and another in March 2023, following Tyler Technologies statement that they were no longer supporting the older versions.
- There was another upgrade last week, from version 2021.5 to 2021.10.
- The IT Director believes that this upgrade should hold for at least a year and will make sure that all departments and users are notified before future upgrades.

7. JAS Update

Brenda Bennett presented the following:

- The Annual School Report (ASR) is due September 30; it is extensive and requires a lot of staff time and effort. After that report is submitted, staff will shift to wrapping everything up in preparation for the FY23 audit.
- Robinson Farmer Cox (RFC) typically does pre-audit work in May, but moved it to July this year in conjunction with the student activity fund audit.
- Two JAS staff members are working to get all employee contracts reconciled and entered into MUNIS. After that is complete, they will work on encumbrances to make sure YTD expense report numbers are accurate.
- Staff is moving closer to the goal of having a dedicated backup person for payroll.
- The new HR Benefits Coordinator attended Anthem Local Choice training, is reconciling Anthem invoices and becoming more familiar with that system. He is also working on updating information in MUNIS, has taken on managing the Health Equity/flex benefits program and will take on VRS as well.
- Purchasing is currently very busy with multiple RFPs and contracts.
- Staff coordinates a lot with the Department of Social Services and are helping to review candidates for the open CSA Coordinator position.
- One staff member is working on capital carryforward and has scheduled quarterly capital project meetings with several departments.
- FY23 ending balances for individual departments should be available for the Finance Committee in October.

Chris Boies

- Shared that the JAS Board is responsible for completing a performance evaluation of the Finance Director and hopes to do so this fall. The first step in that process is putting together a job description.

8. Next Meeting

The next meeting will be October 23, 2023.

9. Adjournment

At 10:47 am, Chairman Chip Schutte adjourned the meeting.

Minutes Recorded and Transcribed by Catherine Marsten