

Joint Administrative Services Board
December 18, 2023 Regular Meeting 10:00 am

At a regular meeting of the Joint Administrative Services Board held on Monday, December 18, 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, Rick Catlett, Sharon Keeler, Chris Boies, David Weiss

Members Absent: None

Staff Present: Brenda Bennett, Catherine Marsten

Others Present: None

1. Call to Order

At 10:04 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

Sharon Keeler made a motion, seconded by David Weiss, to approve the minutes of the October 23, 2023 regular meeting as presented. The motion carried by the following vote:

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

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

Brenda Bennett presented the following:

- Since the last meeting, BPA has agreed to charge the flat rate (\$29,353) for processing run-out claims and the outstanding \$57,000 claim has been processed and paid.
- On December 13, staff asked BPA to provide the ending balance of the Pinnacle fund account that BPA holds in Clarke’s name.
- That account’s balance at the end of September was roughly \$259,000.
- Staff calculated that, after the payment of administrative fees and payment of the outstanding \$57,000 claim, the balance to be returned to Clarke would be about \$170,000.
- BPA reported that the close out balance in the Pinnacle fund account would be \$88,000.
- According to the October and November statements, which BPA only recently provided, Clarke paid \$81,000 to the reinsurer. BPA asserts that this amount was a refund collected by Beacon HCI related to a spec claim that the reinsurer paid two and a half years ago. The refund amount was deposited in March 2022.
- Staff has been unable to speak directly with anyone at BPA so far, but a call is scheduled for this afternoon.
- Through Sam Irby at Innovative Insurance, staff has learned that BPA recently sold to another third-party administrators company based in Philadelphia. Originally, the entire company was for sale, but the buyer instead chose to purchase only select large accounts. There are no anticipated changes for Clarke, given how close we are to closing out this account with BPA.

David Weiss

- Suggested that it was reasonable for staff to dedicate a set amount of hours to attempt to determine whether the reports and data available support what BPA is claiming.
 - Brenda Bennett advised that 24 hours of staff time was reasonable for this work.

Chip Schutte

- Agreed that the issue is worth pursuing but not indefinitely.

Rick Catlett

- Summarized that a significant refund (\$81,000) was collected from a legitimate claim overpayment and that refund is due to whoever actually paid the claim. The question is whether Clarke paid the claim and was reimbursed by the reinsurer or whether the reinsurer paid the claim outright.
 - Brenda Bennett added that BPA also claims there are about \$8,600 in payments to vendors and providers that have not yet cleared.

Chris Boies

- Recommended that staff determine, from the available data and reports, the aggregate amounts that Clarke paid in claims and compare them to the plan's stated maximums.

By consensus, the Board agreed to keep the Pinnacle fund account open and that staff would look further into the overall claim payment and refund amounts.

5. Upcoming Changes to the VRS Hybrid Plan

Brenda Bennett presented the following:

- The employer contribution rate for the VRS hybrid plan proposes to change July 1, 2024, which could increase the employer cost.
- Employees on the hybrid plan can make voluntary contributions up to 4%. If the employee makes a voluntary contribution, the employer is required to make a certain percentage contribution as well.
- Currently, this voluntary contribution is combined into the total overall rate. However, when this is changed, voluntary employee contribution matches will be in addition to the regular base rate.
- 49% of school employees and 34% of county employees are on the VRS hybrid plan.
- If employees do not change their voluntary contributions, the employer's share will stay relatively flat. If everyone in the schools, for example, contributes the maximum allowable amount, the employer share cost could increase \$80,000.
- This change makes the employers cost a lot more variable and has the potential for significant budget impact. Additionally, employees will be able to change their contribution amount monthly instead of quarterly.
- Staff hopes to have a better idea of the proposed new rate in mid-January.

Chris Boies

- Suggested that, rather than budgeting the maximum contribution for all employees, the Board of Supervisors could consider designating a portion of fund balance to be used for the increase if it is needed. This change makes the cost too variable to be able to budget accurately.

6. End of Year ACA Reporting (1095 Forms)

Brenda Bennett shared the following:

- Staff requests to pay Innovative Insurance to complete the required ACA reporting again this year.
- Innovative completed the forms last year, at a cost of \$6,500. Due to the complexity of the task, Innovative will charge more for the same service.
- While an exact cost is unknown, staff expects that it will not exceed \$10,000 and will likely be around \$9,000.

By consensus, the Board agreed to hire Innovative Insurance to complete the required end of year ACA Form 1095-B/1095-C reporting.

7. Next Meeting

The next meeting will be January 22, 2024.

8. Adjournment

At 10:49 am, Chairman Chip Schutte adjourned the meeting.

Minutes Recorded and Transcribed by Catherine Marsten