

Chris Boies – Chip Schutte – David Weiss - Sharon Keeler – Chuck Bishop

AGENDA

Joint Administrative Services Board
Monday October 19, 2020 10:00 a.m.
Joint Government Center

1. **Call to Order.**
2. **Determination of Quorum.**
3. **Approval of Minutes. (September 28, 2020 Attached).**
4. **Health Insurance RFP update and proposed timeline.** Discuss timeline for RFP evaluations, insurance carrier interviews, benefit administration, employee on-boarding.
5. **Next Meeting:** November 23, 2020.

Joint Administrative Services Board
September 28, 2020 Regular Meeting 10:00 am

At a regular meeting of the Joint Administrative Services Board held on Monday, September 28, 2020, at 10:00 am in the Meeting Room AB, Berryville Clarke County Government Center, 101 Chalmers Court, 2nd Floor, Berryville, Virginia.

Members Present: Chuck Bishop, Chris Boies, Bev McKay - Alternate, Chip Schutte

Members Absent: Sharon Keeler, David Weiss

Staff Present: Brenda Bennett, Brianna Taylor

Others Present: None

1. Call to Order - Determination of Quorum

At 10:00 am, Chip Schutte called the meeting to order.

2. Determination of Quorum

Chip Schutte determined that a quorum was present.

3. Approval of Minutes

Chuck Bishop, seconded by Chris Boies, moved to approve the minutes for August 24, 2020, as presented. The motion carried by the following vote:

Chuck Bishop	- Aye
Chris Boies	- Aye
Sharon Keeler	- Absent
Bev McKay - Alternate	Abstain
Chip Schutte	- Aye
David Weiss	- Absent

Bev McKay-alternate, abstained since he did not attend the August 24, 2020, meeting.

4. Unemployment Claims pertaining to Government and School.

Brenda Bennett highlights include:

- The documents in the packet show the potential charges, if all claims were paid through the Virginia Employment Commission for the maximum amount.

- Received the quarterly billing, explaining the following:
 - It is broken down for the two entities, Government and Schools. There are some mix ups that are being addressed; some of the employees are showing up on both the Government and School list.
 - Virginia Employment Commission gave the quarterly claims and expressed that only half needs to be paid by the County, and the rest will be paid by CARES Act funding.
 - An issue that we have is that some of the claims are fraud, some employees filed a claim but were still being paid through the County.
 - Virginia Employment Commission has set up a mechanism to report those fraudulent claims and explain why Clarke County or Clarke County Public Schools has determined that it is fraudulent.
- Recommend that all of the claims that are fraudulent be deducted and then pay half of that balance.
- Options:
 - Pay the 50% that the Virginia Employment Commission is billing.
 - Hold back the claims that we feel are fraud, and then pay the 50% of that balance.
 - If we hold the claims that we feel are fraud but for some reason the Virginia Employment Commission says that it is not fraud, we may owe penalties for not paying on time.
 - Go through the attorneys and have them decide what claims are fraudulent and pay from there.
 - Chuck Bishop explained that we do not have to go through the attorneys if we decide not to.
- In the future, all claims that are reported as fraud should be reconciled.
- If the full payment is made now, once the claims are reviewed in detail, we should receive a credit.

Chris Boies explained that in a typical scenario without COVID-19, a person files the claim, it goes through a process where there could be a hearing for both the employee and employer to review the case, and then billed if determined a true claim. With COVID-19, the entire process has changed because of the influx of claims; therefore, no hearings have occurred. Adding that the claims that we believe are unsubstantiated would have been caught in the normal process.

Bev McKay expressed that he believes that the County should deduct the claims that we feel are fraud and pay the remaining half of that balance - adding that those claims would not have passed the normal process since they were still employed and paid.

Chris Boies opined that we should use the reporting mechanism to report the claims that are unsubstantiated or considered fraudulent.

Chip Schutte stated that the deductions should be made and when the remaining check is sent, a letter should be included explaining why those claims were not included.

Chris Boies stated that it becomes even more complex because if we use the County's CARES Act funding and they do return funds, we will then have to figure out how to return those funds since the reimbursement will be done after the CARES Act funding deadline of December 30, 2020.

Brenda Bennett stated that if the payment is withheld, it will go through the process, and if the Virginia Employment Commission determines the claim to not be fraud, then we will have to pay them, and there will be penalties and interest.

Brenda Bennet explained the overall total, including the fraudulent claims, is \$8,619.14 for the School and \$5,540.81 for the County.

Chris Boies stated that if we pay it in full even though we know some of the claims are fraudulent or unsubstantiated, we would not have to worry about the approval of those claims and having to pay all of the penalties. Suggest we pay the bill in full and use CARES Act funding for the payment.

Chuck Bishop asked, and Brenda Bennett clarified that if the payment is in full now when they review those cases, we should receive a credit that can then be applied to a future quarterly bill.

Chuck Bishop voiced that he is inclined to pay the full amount of \$8,619.14 for the schools.

Chris Boies asserted that he is inclined to pay the full amount of \$5,540.81 for the County.

After discussion, the Board came to the consensus to pay the total bill for both the County and the School, instructing Joint Administrative Services staff to report all unsubstantiated claims to the Virginia Employment Commission.

5. Anthem/Valley Health negotiations.

Brenda Bennett highlights include:

- Phone conference last week that was hosted by Brandon Davis, Northern Shenandoah Valley Regional Commission Executive Director.
- The initial thought by Brandon Davis was to bring all of the localities throughout the region who are affected into one group to see if we could all go in together and see what the options would be for insurance.
- With the short amount of time realized that it was not possible.
- Anthem and Valley Health’s contract ends December 31, 2020, and it does not appear that they will come to an agreement.
- If we stay in Anthem Local Choice, any service provided by Valley Health after December 31, 2020, for employees will be out-of-network.

Bev McKay asked what places offer Anthem if Valley Health does not come to an agreement. Brenda Bennett stated that employees could go to Leesburg, WVU, Martinsburg, and Hagerstown.

- Discussed options with Ed White, McGriff Insurance Representative.
- Options include:
 - Stay with Anthem Local Choice until our contract ends in June 2021, having employees pay out-of-network from January 1, 2021, to June 30, 2021.
 - Go with another insurance carrier; would need to give Anthem Local Choice a 90-day notice of termination. The deadline for that is this Friday, October 2, 2020.
 - Without giving the 90-day notice, we could participate in a census to receive the claim information and data from the Local Choice.
 - We could also wait another month to give more time to see if an agreement is reached, but that would push everything back 30-days, meaning our employees would be out-of-network for the month of January 2021.
- There may be an option that the new carrier would give a credit for deductibles that are met so far.
- Another piece that makes this hard is that our contract is on the fiscal year so it does not end until July 2021, we would be switching in the middle of our insurance year.

Chris Boies asked and Brenda Bennett confirmed that if we did give the notice of termination, we could rescind the termination by December 1, 2020, 30-days prior to the end. Adding that in the 60-day timeframe if Anthem and Valley Health came to an agreement we could rescind and stay with Anthem Local Choice.

Brenda Bennett stated that if the notice of termination is sent, it would be wise to publish an RFP and begin looking for other insurance carriers. The other insurance carriers that McGriff has reached out to that have agreed to a quick turnaround are United, Cigna, Optima, and Etna. Adding that we would need to move quickly in order to publish an

RFP, evaluate responses, select a carrier, get the employees onboard, and be able to issue new insurance cards before December 31, 2020.

Chris Boies and Chuck Bishop confirmed that they have sent a letter to all employees to inform them of the situation and to notify them that we are monitoring and working on a plan. Adding that they will continue to correspond with employees for each step of the process.

Chris Boies asked and Chuck Bishop confirmed that in the past for situations like these the Joint Administrative Services Board had the authority to make the decision, this would not have to go to both the School Board and the Board of Supervisors, especially since there is not enough time to setup a special meeting for the Board of Supervisors this week.

Chuck Bishop expressed that we are in a position, if we do not issue the letter of termination to Anthem Local Choice by Friday, then we would have no options for our employees to not have to pay out-of-network.

Chuck Bishop opined that we should write the letter to have it on file, the next issue would be when we get closer to December 1, 2020, when we have to make the decision to rescind our letter because an agreement may still not be met, but Anthem and Valley Health may make the agreement in mid-December but we would not know until that time. Adding that we have to have this process underway regardless.

Brenda Bennett stated that McGriff would assist with the RFP process, the cost is not known at the time, it is included in our services but not sure if there are additional fees.

Chuck Bishop stated that last fall, him and Tom Judge met with Ed White to see if there were insurance options, timing was the issue then.

Chris Boies, seconded by Bev McKay, moved to authorize the Joint Administrative Services Director to send a letter to Anthem Local Choice with notice of termination for our existing agreement. Further, moved to authorize the Joint Administrative Services Director to send a letter to Anthem Local Choice requesting census information. Further moved to authorize the Joint Administrative Service Director to begin the RFP process for our insurance. The motion carried by the following vote:

Chuck Bishop	- Aye
Chris Boies	- Aye
Sharon Keeler	- Absent
Bev McKay - Alternate	Aye
Chip Schutte	- Aye
David Weiss	- Absent

The Board agreed to have McGriff Insurance look for similar types of coverage that we are currently in now, in hopes that we can have more plan options and better cost for both employer and employee.

Chris Boies questioned and Brenda Bennett confirmed that based on the conference call, the other localities physically cannot do a regional approach, as was initial discussed because it will be a hard process to complete in the short amount of time that is available.

6. Next Meeting

October 19, 2020

7. Adjournment

At 10:52 am, Chip Schutte adjourned the meeting.

Minutes Recorded and Transcribed by Brianna R. Taylor