

Joint Administrative Services Board  
November 28, 2022 Regular Meeting 10:00 am

At a regular meeting of the Joint Administrative Services Board held on Monday, November 28, 2022, at 10:00 am in Meeting Room AB, Berryville Clarke County Government Center, 101 Chalmers Court, 2nd Floor, Berryville, Virginia.

Members Present: David Weiss, Chris Boies, Chuck Bishop

Members Absent: Chip Schutte, Sharon Keeler

Staff Present: Brenda Bennett, Catherine Marsten

Others Present: None

**1. Call to Order**

At 10:02 am, David Weiss called the meeting to order.

**2. Determination of Quorum**

David Weiss determined that a quorum was present.

**3. Approval of Minutes**

**Chris Boies made a motion, seconded by Chuck Bishop, to approve the minutes of the August 22, 2022 meeting as presented. The motion carried by the following vote:**

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

**4. Year End Processes**

Brenda Bennett presented the following:

- This is the first year that JAS must generate/process forms for the Affordable Care Act year-end reporting (1095 forms). Previously, processing these forms was outsourced or completed by the insurance carrier.

- There are approximately 500 forms to generate and the deadline is February 28, 2023. JAS staff is working with processes in Munis to be able to generate and send out the forms.

David Weiss

- Asked who receives 1095 forms.
  - Brenda Bennett replied that they must be sent to every employee and covered dependents. To her understanding, any covered spouse would receive his or her own form.

Chuck Bishop

- Questioned if generating the forms was a simple task within the existing payroll processes.
  - Brenda Bennett answered no; it is a more complicated process that involves tracking and updating changes. JAS staff has asked Sam Irby for a price quote to have Innovative process the 1095 forms instead, as Innovative already has the data for half the year.

David Weiss

- Asked, and Brenda Bennett affirmed, if Innovative was a separate entity from BPA.
- Further inquired if funds to pay Innovative to process the 1095 forms are available in the current budgeted amount.
  - Brenda Bennett responded that yes, there is about \$15,000 left. JAS staff would still need to collect and provide the data, so paying Innovative to process the forms would only be worth it if the cost were under about \$2500. As soon as she receives the price quote from Sam Irby, she will send it to the Board for further consideration.

Brenda Bennett continued:

- Of approximately 750 W-2's sent out for 2021, about 550 of them were issued in a physical, printed format and mailed. JAS staff would like to explore the option of offering only digital W-2s, which would save postage expense and staff time.
- Currently, employees may select the option to receive a digital W-2 in Munis Employee Self-Service (ESS). However, according to payroll staff, most employees do not know their password to log into ESS.

Chuck Bishop

- Suggested to offer only digital W-2's, so if an employee wanted a physical copy, they could print one themselves.
  - Brenda Bennett added that, by IRS regulations, if a company offers both print and digital format, then the employee must be allowed to choose their preference. A company can choose to offer only a digital format, but cannot force an employee to choose a digital format if both digital and print formats are offered.

Chuck Bishop

- Queried if a digital format meant that the W-2 was only available in ESS or if the employee would receive a W-2 via email.

- Brenda Bennett responded that either option is possible. There is not enough time to implement the change for the current year, but staff would like to move toward offering only digital format for 2023. She will bring specific information to the Board at the next meeting.

Brenda Bennett continued:

- Employees on the Virginia Retirement System (VRS) hybrid plan include a voluntary contribution. Every three years the percentage for the voluntary contribution increases 0.5%, unless the employee opts out. This auto-escalation will occur in January 2023.
- The deadline to opt-out is December 15. VRS has provided notice to employees, but it would be good to send out again. If the employee does not opt-out, they will not be able to change the contribution percent back until the end of the 1<sup>st</sup> quarter.
- It was noted that both the County and Schools had emailed information about this increase previously to all employees.

## **5. Providing Electronic Paystubs via Email**

Brenda Bennett advised the following:

- Employees have access to their paystubs via ESS, but JAS staff regularly gets questions from employees about paystubs. There is an option to send paystubs out via email every time payroll is generated.
- Staff has used this option on a small group of volunteers to test it and it works well. The emailed paystub does not have the employee social security number on it, but it includes everything else.

Chris Boies

- Asked if employees could opt-in or opt-out.
  - Brenda Bennett replied that the employee may have to log into ESS and set their preference, adding that she does not feel JAS staff has the resources to manage an either/or option. From a workflow management perspective, the change would need to be all or nothing.
- Suggested, and David Weiss agreed, that from a security perspective, some employees will not want their pay information on email so it would not be fair to implement if there is no way to opt-out.

Chuck Bishop

- Agreed, adding that the paystub information is always available in ESS.

## **6. Benefit Plan Administrators (BPA)**

Brenda Bennett presented the following outstanding issues staff has been working on:

1. Reconciling Retiree Credits.

- Monthly premium payments from retirees and COBRA payments were made electronically and via physical check to both BPA and to Innovative Insurance.
  - Staff has reconciled all the payment data and determined that BPA owes Clarke \$2,217. BPA was notified of this amount on 10/20/2022 and has not responded.
  - Innovative Insurance owes Clarke \$3,898, and staff expects this payment to be processed shortly.
2. ESI (Pharmacy) Rebates.
- Clarke received ESI rebates for quarters 1 and 2 of 2021, in the amount of \$125,000. Staff has been told that ESI rebates are typically issued about six months after the quarter ends.
  - Clarke is waiting to receive rebates for quarters 3 and 4 of 2021 and quarter 1 of 2022, with quarter 2 of 2022 becoming due in January 2023.
  - Based on previous ESI rebates, the total expected amount due to Clarke now is \$186,000, with an additional \$62,000 becoming due January 2023.
  - Staff has asked BPA multiple times when these rebates will be received and BPA has provided no definite answer.
  - In the last two weeks, Sam Irby advised staff that a BPA representative stated the ESI rebates are being withheld because Clarke still has outstanding claims to be paid.
  - Clarke has paid all claims received and is awaiting a response from BPA regarding this new information. The total expected amount of ESI rebates is around \$248,000.
3. Spec Claims Review.
- Staff is reviewing claims for each individual to determine if Clarke has paid any claims in excess of \$100,000 per individual during the plan year, because the reinsurer is responsible for paying those.
  - If Clarke has paid amounts over the \$100,000 threshold for any one person for services provided during the plan year, then BPA will owe Clarke a refund for those amounts.
  - The exact dollar amount is unknown at this time. Staff knows at least one claim in particular that Clarke has paid that is \$50,000 over the threshold. If BPA cannot show any credit given for that, there is at least \$50,000 due. Staff suspects there are other similar claims and that Clarke will be owed more.
  - Claims invoices received from BPA are lengthy and require detailed review and analysis. Staff has completed about 75% of this review and there are 11 individuals whose claims are being reviewed.
4. Beacon HCI
- BPA contracted with Beacon HCI to pursue refunds for claims where providers may have overcharged for services. Beacon negotiates a refund amount with the provider, then the provider sends that refund amount directly to BPA.
  - For their services, Beacon is paid 25% of the refund amount collected. A minimum \$130,408 collected by Beacon, according to data they provided.

- Staff was told that the entire amount was associated with a spec claim paid by the reinsurer and not by Clarke, so Clarke did not receive any of the refund.
- In August and again in October, staff requested details of these refunds, such as claim numbers, amounts, and dates, but have not received anything.
- Clarke was billed and paid the 25% fee associated with these refunds (it was included in a claims invoice from BPA) without having received any portion of the refund. There have been other instances where Clarke has paid Beacon, but without the specific claims data from BPA those payments cannot be reconciled.

Chris Boies

- Asked if Beacon was able to provide that information.
  - Brenda Bennett responded that Beacon did not.
- Further asked if Clarke paid Beacon directly.
  - Brenda Bennett advised no, Clarke does not have a contract with Beacon.

David Weiss

- Suggested staff ask if Beacon has received payment and if they can provide claim numbers.

Brenda Bennett continued:

- In August, JAS staff sent to BPA specific requests for information on the above items. BPA responded and addressed the retiree claims only.
- On October 20, JAS staff requested specific information relating to each of the four issues. BPA responded immediately advising that they would review and follow up, but JAS staff has not received anything further.

Chuck Bishop

- Questioned why the ESI rebates are being withheld because of claims. Clarke was paying invoiced amounts to BPA as claims were received, so the rebates should be separate.
  - Brenda Bennett agreed. To date, all claims have been paid and the rebates should be separate.

Chris Boies

- Added that staff heard about the rebates being withheld secondhand and not directly from BPA.

Chuck Bishop

- Asked why BPA will not communicate with Clarke, because it seems they are communicating with Sam Irby.

Chris Boies

- Inquired what assistance JAS staff needed.
  - Brenda Bennett responded that additional staff might not be helpful, as it would take more time to gather and send all the information to someone else. Staff reached out to the county's audit firm, Robinson Farmer Cox, who suggested using an independent auditor.
- Summarized that the work involved is reviewing claims invoices, categorizing each claim by individual claimant and date of service, and calculating the total amount paid to see if Clarke has paid over \$100,000 per claimant in a plan year.

David Weiss

- Questioned, if someone was hired to assist, how much time staff would need to orient them to this task.
  - Brenda Bennett answered that it would likely take a couple of hours.
- Further questioned how long it would take current staff to finish reviewing, if able to focus on just that task.
  - Brenda Bennett advised that the spec claim reviews could probably be finished in a day of working only on that.

Brenda Bennett summarized the following:

- The known factors are the retiree credits owed to Clarke from Innovative Insurance (\$3,898) and from BPA (\$2,217), as well as the 4 quarters of ESI rebates owed to Clarke from BPA (est \$248,000).
- The unknown factors are the refund and fee amounts with Beacon HCI, the spec claim amounts paid, and the aggregate total amount paid by Clarke compared to the maximum plan cost, which is another point of attachment for the reinsurer.

Chris Boies

- Advised that Clarke, as a fully funded program, should have been at a breakeven point by the end of the BPA plan time. The pharmacy rebates should be additional, as they were not included in the breakeven number.
- Suggested requesting a breakeven analysis from BPA.
  - Brenda Bennett advised staff has to rely on BPA to send those reports, adding that she may need assistance from Sam Irby to analyze them.

David Weiss

- Opined that a threat of legal action would be necessary at some point.
  - Chris Boies agreed but cautioned that more details are needed first.
- Suggested that staff continue working with Sam Irby on the outstanding issues rather than involving a third party.

Chuck Bishop

- Concurred, adding that any third party would need the data that Sam Irby already has.

**By consensus, the Board agreed that staff will focus on completing the spec claim reviews and other reconciliations, using Sam Irby as necessary, and continue to request responses from BPA.**

## **7. Joint Administrative Services Staff/Work Update**

Brenda Bennett presented the following:

- The FY22 audit is on schedule to be completed and uploaded to the state by December 15.
- The audit will be presented to the Board of Supervisors at their December 20 Regular Meeting, though it will not be ready in time to go into the Finance Committee packet. Staff has not received an audit draft yet but expects to soon.

David Weiss

- Requested that staff review and make recommendations to the Finance Committee as a part of the budget process, because JAS is a critical department.
  - Brenda Bennett responded that those items and recommendations would be a topic for the next meeting.

**8. Next Meeting**

The next meeting will be December 19, 2022.

**9. Adjournment**

At 10:56 am, David Weiss adjourned the meeting.

---

Minutes Recorded and Transcribed by Catherine D. Marsten