

LOUISIANA HEALTH PLAN

MINUTES

BOARD OF DIRECTORS MEETING

February 23, 2012

ATTENDANCE:

Board Members Present: Scott Westbrook, Robelynn Abadie, Michele Calandro, Derrell Cohoon, Dr. William Dimattia, Phyllis Perron

Also Present: Rene Louapre, Attorney for LHP

LHP Staff Present: Leah Barron, Carl Mautner, Reva Broussard, Jon Bonneval, Kathy Stern

MINUTES

Minutes from the November 2, 2011 and November 15, 2011 Board meetings were presented.

MOTION

Michele Calandro made a motion to approve the Minutes as presented for the board meeting held on November 2, 2011 and for the board meeting held on November 15, 2011. Motion seconded by Derrell Cohoon. No opposition. Motion passed.

OLD BUSINESS

There was no old business.

NEW BUSINESS

CEO Report

Leah Barron directed the members to her CEO report and reviewed the numbers.

Financials

Carl Mautner reviewed the financial statements for the High Risk Pool and for the HIPAA Plan for the month of December. Mr. Mautner also provided financial information for the months of October 2011 and November 2011 for their review.

MOTION

Michele Calandro made a motion to accept the financials as presented. Motion seconded by Robelynn Abadie. No opposition. Motion passed.

Board Resolution

Leah Barron presented a Board Resolution to allow the CEO to sign any documentation necessary to claim and/or recover any Unclaimed Property from the State of Louisiana. The Resolution read as follows:

CORPORATE RESOLUTION

LOUISIANA HIGH RISK HEALTH POOL, INC. DBA LOUISIANA HEALTH PLAN

TIN: 72:1181034

This is to certify that the Undersigned is the duly elected and acting Secretary/Treasurer of the Board of the above named organization (THE “Organization”) and that at a regularly called meeting at which a quorum was present, the following Resolutions were adopted (as evidenced by the attached copy of the relevant portions of the Minutes from said meeting) and have not been amended or revoked as of the date hereof and are now in full force and effect:

RESOLVED, that the Chief Executive Officer of the Louisiana Health Plan continue to be authorized to collect any uncollected funds from any person, persons, entity or entities owing any funds to the Louisiana Health Plan.

RESOLVED, that the Chief Executive Officer of the Louisiana Health Plan be specifically authorized to collect any monies held by the state of Louisiana in any capacity, including, but not limited to, any funds held by the State Treasury, State of Louisiana, as “Unclaimed Property”.

RESOLVED, that each of the foregoing resolutions shall continue in force until express written notice of its rescission or modification has been received by the State Treasury, State of Louisiana, or any similar entity, but if the authority contained in them should be revoked/terminated by operation of law without said notice, it is resolved and agreed for the purpose of inducing the State Treasury, State of Louisiana, that the State Treasury, State of Louisiana shall be saved and held harmless from any loss suffered or liability incurred by it in so acting after revocation or termination without notice.

The undersigned further certified that each person whose name appears is acting for the Organization in such authorized capacity; and that each signature on this certification is a true specimen of the signature of the person whose signature it purports to be.

Attested by Dr. William Dimattia Secretary/Treasurer of the Board of the Louisiana Health Plan

This _____ day of _____, 20____.

Signature of Secretary/Treasurer

Leah Barron
Chief Executive Officer

Signature of Chief Executive Officer

MOTION

Derrell Cohoon made a motion to adopt the Resolution as presented. Motion seconded by Michele Calandro. No opposition. Motion passed.

D&O and E&O Coverage

Leah Barron presented proposals from Travelers Excess and from Crum and Forster. Ms. Barron explained the statutory protection for the board members is very good. It is the defense costs that could be extremely high. Ms. Barron further explained that the board members are protected by the Louisiana Health Plan Articles and By-laws with regard to reimbursement of any possible defense costs. The D&O and E&O would be additional protection for the board members.

The annual premiums for the coverage were presented and Ms. Barron recommended the coverage with the lower limits of \$1,000,000 for the E&O (\$13,447) and the limit of \$2,000,000 for the D&O (\$11,550).

There was general discussion as to the amount of protection, the cost of the coverage and whether it was necessary. Because questions surfaced and not enough information was available, it was suggested that action not be determined until another meeting. It was suggested that our attorney research the issue and provide an opinion regarding the policies and how they relate to statutory protection.

It was also suggested that representatives from the D&O and E&O companies attend the next board meeting to provide additional information and answer any questions that surface to assist in determining whether the coverage is needed and if so, what their recommendation would be. With regard to D&O, it was pointed out that because there is statutory protection, the only coverage should be for attorney fees. The concern was the possible exposure that could occur during the closure of LHP. The board needs to determine if there is a risk, and, if so, how much. If the decision is to move forward with D&O and E&O, there is a need to understand exactly what is covered.

MOTION

Michele Calandro made a motion to defer a decision upon the coverage with research and an opinion from Rene Louapre on the policy as it relates to statutory protection to be provided by the next board meeting. Motion seconded by Dr. Dimattia. No opposition. Motion passed.

MOTION

Derrell Cohoon made a motion to move into Executive Session to discuss the character, reputation and professionalism of the CEO and LHP staff; including, but not limited to, job performance, employee evaluations, salaries and other benefits; and workforce strategies. Motion seconded by Robelynn Abadie. No opposition. Motion passed.

MOTION

Michele Calandro made a motion to return from Executive Session. Motion seconded by Robelynn Abadie. No opposition. Motion passed.

Budget

Leah Barron presented the budget worksheet that Carl Mautner had prepared that showed: (a) the numbers for the 2011 Budget, (b) the October 2011 year-to-date actual budget, (c) the projected 2011 year-end projection, (d) the proposed Budget for the year 2012 and (e) the budget methodology was also on the worksheet. Mr. Mautner provided additional worksheets to show how the numbers were calculated.

Ms. Barron reviewed the numbers for the High Risk Pool, the HIPAA Plan and the Combined Budget. It was suggested that a legend be added in the future for the percentages of the High Risk Pool and the HIPAA Plan.

MOTION

Derrell Cohoon made a motion to adopt the Budget as presented with the amended salary changes and accompanying payroll taxes as previously adopted by the board. Motion seconded by Michele Calandro. No opposition. Motion passed.

Comments

Scott Westbrook noted to the board members that the calendar of board meetings for the year 2012 was provided in the board binder.

Phyllis Perron stated that she would forward information regarding D&O and E&O policy to Leah.

Derrell Cohoon noted that Leah's CEO report reflected some problems with the Third Party Administrator and that he was glad that follow-up work is being done to address the issues.

MOTION

Michele Calandro made a motion to adjourn. Motion seconded by Derrell Cohoon. No opposition. Motion passed.