

Wednesday, July 8, 2020: **EASTCONN ECHIP Executive Committee Meeting:** held via Conference Call/Zoom

ECHIP Board Members Present:

Amanda Backhaus, Coventry – Kelly Vachon, Plainfield – Nancy Cole, Putnam – Walt Willet, Tolland – Joni Weglein, EASTCONN

Consultants/Brokers Present:

Larisa Carr – ECHIP, Joe Spurgeon, Lindberg & Ripple

Guests: Scott Viviano (NexClaim) and Atty Richard Nix (McAfee & Taft)
Mike Tehan and John Graham – Audit

1. Agenda out of order:

2. Purdue Pharma:

- a. Attorney Nix-
 - i. represent 3 of the largest TPAs in country
 - ii. Purdue filed bankruptcy which removed them from the overall Opioid litigation
 - iii. Overall litigation is still outgoing--likely 2-3 year out on that
 - iv. Purdue bankruptcy is \$10B to creditors
 - v. Not a class action-Every group has to file on their own
 - vi. Have to file by July 30, 2020
 - vii. 5 major groups of claimants (probable thousands of clients):
 1. hospitals
 2. municipalities (assume based on 1st responders)
 3. tribal nations
 4. individuals impacted
 5. health plans (including self-funded employers)
 - viii. Can't answer how much will group of claimants will get
 - ix. All fees retained through the recovery
 - x. Said carrier have conflict of interest due to their fully-insured business and they get to keep the recoveries
 - xi. said some carriers are not pursuing
 - xii. carriers can only pursue for the years ECHIP groups were with Cigna
 - xiii. Expect Purdue \$ to be released next year
 - xiv. Walt asked about "creditors" who get to the front of the line... Richard said that there are very few creditors b/c Purdue was so cash rich. Really just the claimants above.
 - xv. They are charging 30% for all (NexClaim, Atty, and Lockton)
 - xvi. Cigna may charge for reporting
 - xvii. McAfee & Taft-would represent ECHIP in the larger opioid class action if Cigna indeed will not.
 - xviii. Walt and Nancy will talk to Lockton (Seth and Dan) re: why Lockton is pursuing this option vs letting Cigna handle.

3. Audit

- i. Joe reviewed
 1. Cigna's standard audit process 225 random claims
 2. typical works (while not ideal) for any one entity
 3. won't be ideal for ECHIP
 4. There was some optimism that Cigna was going to make an exception on 2 occasions, but was declined subsequently by Cigna
 5. Cigna argument for using
- ii. Mike Reviewed:
 1. Cigna only carrier that set a random audit, all other allow targeted non-random audit
 2. Random selection will not accurately test all of the benefit for each of the entities within ECHIP
 3. Discussed with Cigna an alternate model, random 225 claims and additional claims on a targeted (non-random) basis
 4. Under the 225 with an additional 125 can get a good audit but not a full representative
 5. They know that Cigna has made exceptions in the past
 6. Feels 2 best options:
 - a. 225 random and 125 (25/entity) non-random
 - b. 5 separate audits (1 for each entity)
- iii. All this is surprising because Cigna tends
- iv. Nancy asked is 25 enough from 6a... John added-the upfront data mining will id all potential errors and they can focus on issues the data mining uncovers
- v. Joe will write up something up for Walt to send to Cigna directly offer 6a or 6b

4. Minutes Approved: Joni

5. Additions to the agenda:

- a. Joni Added to Agenda-ECHIP financial reports
 - i. Reserves isolated on spreadsheets for ECHIP financial reports.
 - ii. CD & Investments are separate. Revised reserve and IBNR (incurred but not reported) numbers will be ready for the August 12th meeting.
 - iii. ECHIP banking spreadsheets will have a new column added to provide a moving reserve amount column. This addition to the spreadsheets will be ready between September no later than November.

6. Adjournment: 4:16 PM

Respectfully submitted,
Ann Marie Milette, Administrative Assistant
EASTCONN