

**Philadelphia Bar Association
Board of Governors Meeting
February 26, 2013**

The meeting was called to order at 4:02 p.m. by Chair Marc Zucker.

Upon consideration by the Board, the minutes of the January 24, 2013 Board meeting were unanimously approved.

Treasurer Wesley R. Payne IV presented the Financial Report for the period ending January 31, 2013. Revenue and expenses are under budget by \$28,000 and \$12,000, respectively, but overall, the budget is looking solid. Dues revenue is on course for the month of January and is slightly above what was anticipated. Executive Director Ken Shear provided a preview for the month of March, noting that LRIS is expected to bring in more revenue. After consideration, the Treasurer's Financial Report was unanimously accepted by the Board.

ABA Delegate Abe Reich presented a report on the actions of the ABA House of Delegates at the 2013 Midyear Meeting that took place in Dallas, Texas. Mr. Reich acknowledged that this meeting was the first time that husband and wife sat as members of the delegation, with both Chancellor Kathleen Wilkinson and Pennsylvania Bar Association President Tom Wilkinson participating in the delegation.

Mr. Reich noted that the midyear meeting was somewhat perfunctory since important issues are usually reserved for the annual meeting, and commented on some of the resolutions that were presented at the meeting. Resolution 104C urges governments to enact legislation to prohibit the retaliatory discharge of a Chief Public Defender or other head of an indigent defense services provider because of his or her good faith effort to control acceptance of more clients than the office can competently and diligently represent, in accordance with their ethical obligations. While Mr. Reich raised a Sarbanes-Oxley Section 307 concern with the caucus, the Association did not oppose the resolution. The House record acknowledges the Association in connection with this resolution. Resolution 107C seeking to amend the ABA Model Rule on Pro Hac Vice Admission to provide judges with guidance about whether to grant limited and temporary practice authority to foreign lawyers to appear in U.S. courts was supported by Mr. Reich as the practice of law has become more international and the new guidance fosters a sense of international cooperation. Mr. Reich reminded the Board that he should be informed of any issues that need to be raised with the ABA.

Chancellor Wilkinson began her announcements by thanking the Board for its leadership and volunteerism. Chancellor Wilkinson announced the appointment of Marilyn Heffley and Kay Yu to the Philadelphia Legal Assistance Board of Directors. Upon consideration by the Board, the appointments were unanimously approved.

Chancellor Wilkinson then reported on the various items she is working on as well as on the events that she participated in, including attendance at the following: National Conference of Bar Leaders with Vice-Chancellor Al Dandridge and Chancellor-

Elect William Fedullo in Dallas, Texas; Pennsylvania Mid-Year Meeting with Chancellor-Elect Fedullo and Executive Director Shear (several Pennsylvania Supreme Court Justices were in attendance and other branches of government were represented, which permitted for many networking opportunities); County Conference of Bar Leaders (which is attended by the leadership of county bar associations along with their executive directors) and its Diversity Committee meeting wherein Treasurer Payne provided excellent remarks; and the Business Law Section meeting wherein Vice-Chancellor Dandridge was presented with its diversity award and donations were presented to Philadelphia VIP and to the Barristers Scholarship fund.

Chancellor Wilkinson reported that the Association received excellent news coverage from *The Legal Intelligencer* and *The Philadelphia Inquirer* concerning Justice Orié Melvin's conviction. She also reported that the Association issued a letter concerning the RFP's impact on criminal justice and family law practitioners, and commended the group that has been working on this issue, including Kevin Mincey, Michael Bertin and James Funt. She also noted that the Association has been quoted in *The Inquirer* in connection with the traffic court indictments and the ensuing discussion on merit selection of appellate judges following the Orié Melvin conviction. Chancellor Wilkinson and Executive Director Shear also met with Global Philadelphia to discuss the Association's participation in a fall event that focuses on the global economy. She also attended a Committee of Seventy meeting involving the traffic court issue and two Justinian events, including a luncheon wherein she was honored.

Chancellor Wilkinson also announced that the Bench-Bar Conference will take place October 4 to 5 this year at the Revel in Atlantic City and that CLE proposals are currently due. Two Chancellor's Leadership Institute programs are coming up, including a February 27 lunch featuring District Attorney Seth Williams and a March 14 event at Fox Rothschild featuring women in politics. The Justice Sonia Sotomayor Diversity Award will be presented at the March 11 Quarterly Meeting. Chancellor Wilkinson also announced a women's law firm initiative wherein 29 women from 22 firms will be participating in a meeting to share ideas.

Chair Zucker announced he has challenged section and committee chairs to come forward with specific and measurable goals for their respective sections and committees to increase membership. He also reported that he was privileged to speak at a Naturalization Ceremony last week. It was an inspirational moment, wherein 111 new citizens from 37 different countries were sworn in as citizens. He also announced that Villanova Law School is giving its alumni award to Chancellor Wilkinson and Pennsylvania Bar President Tom Wilkinson on March 21. The Young Lawyers Division reception is scheduled to take place tonight at the Rittenhouse Hotel.

Long-Range Advisory Council Chair Rudy Garcia and USI Affinity Vice President Brian McLaughlin presented a discussion of the Philadelphia Bar Association's proposal of the Clear Options Rx prescription drug plan for members. Mr. Garcia explained that he formed the Long-Range Advisory Council during his year as Chancellor and that Frank Devine was chair for its first two years and did a fabulous job. The Council's mission is to come up with good ideas for the Association. The Council

has been working on the Clear Options plan, which is a prescription plan that the Association will offer to its member organizations for inclusion as part of their health insurance coverage programs for their employees. The Association is the first bar in the country to provide this type of membership benefit, which further enhances our reputation as a leader. The hope is also to improve membership with the rollout of this program.

Generally speaking, health insurance coverage and prescription coverage can be separated. Currently, rebates and incentives that are part of prescription plans are not transparent to the covered entities. The Clear Options plan promotes transparency and it is expected that, on a net basis, firms that participate can benefit from at least an eight percent reduction to their prescription program. This program will not cost the Association anything to participate in and is being coordinated by USI, an entity with which the Association has had a long relationship. The program is being made possible through the Affordable Care Act.

Appreciation was expressed to Frank Devine, during whose tenure as Council Chair that most of the work was completed, and to Jonathan Clark from Pepper Hamilton and Brian Pinheiro from Ballard Spahr.

Executive Director Shear explained that if a law firm chooses to participate in the prescription program, a minimum threshold for that firm's membership in the Association must be established as an eligibility requirement.

Mr. McLaughlin, who has been working on this proposal for nine months, expressed his belief that the top end of the market is moving to self-funding. This flat fee prescription program is intended for organizations with 50 or more employees. A pass-through pricing program such as the one available through Clear Options is usually only available to organizations with 2,000 or more employees. This program strips out the games in prescription drug programs and allows rebates to be passed on directly to the participating firm. The program is 100% auditable so you can see where the money is being spent. Approximately 65,000 pharmacies participate in this program. There is no risk sharing among firms in this program. There is also no mandate that every participating organization has to have the same benefits, *e.g.*, if one firm wants to limit the formulary list, that is possible. In terms of quantifiable benefits, *e.g.*, if a firm has 70 attorneys and \$20,000-24,000 is spent per attorney on a health insurance program, it is projected that participation in this program will yield a \$61,600 savings, which breaks down to an \$880 savings per attorney. While the prescription program is a huge profit center for insurers, even if there is an assessment of an additional cost (of about 2%) on the health care coverage portion of the insurance program (where a prescription plan is not also purchased), the sample law firm is still receiving a savings of \$528 per attorney. For larger firms, the savings on 600 participating attorneys would amount to \$445,000; and, even assuming a penalty of \$175,000, the participating firm would still benefit from a net savings of \$270,000.

Mr. Clark stated that this is no downside to the program. Even with lower numbers of participating attorneys per firm, there will be an increased savings per

attorney. A motion was made that the Association proceed with rolling out the prescription program as a membership benefit, with a determination to be made later as to the minimum membership required for a law firm to be eligible to participate in the prescription program (with the goal being 100% membership in the Association of the participating law firm). Upon consideration by the Board, the motion was unanimously approved.

Association lobbyist Tony Crisci reported on activities in the new 2013-14 Session of the PA General Assembly (“GA”). Mr. Crisci announced that the GA is not currently in session and that there are two more weeks of budget hearings. The Governor will give his budget speech, then the Appropriations Committee will review the line items in the budget with each agency. On March 11, the GA returns, and there are 35 session days before the June 30 constitutional deadline. Three major aspects of the budget are tied in with policy initiatives, including the following: (1) transportation and transportation funding; (2) pension reform; and (3) liquor privatization.

Senate Bill Nos. 333 and 334 concerning Traffic Court’s merger into Municipal Court easily passed 50-0. The House Judiciary Committee will hold hearings on March 22 at the Association’s offices on the 11th floor in part to hear testimony as to whether traffic court judges need to be lawyers. Outside of Philadelphia County, for example, district judges are not all lawyers. A subcommittee of the House Judiciary Committee was charged with investigating whether an impeachment resolution is needed in connection with Justice Orié Melvin’s conviction. There will be jockeying as to who will be replace Justice Orié Melvin.

The Governor is suffering bad poll results, but the Governor has both supporters and detractors in both chambers of the GA. The budget for legal services will be same as last year. On the issue of the recently-indicted Traffic Court judges, the Association has supported resignation of those judges. The Association’s Judicial Selection Commission only vets lawyers, so if there is no requirement that Traffic Court judges also be lawyers, they will fall outside of the Commission’s purview. Another issue to look out for in the future includes sales tax on legal services. This issue is not going away because the sales tax is intended to offset property taxes, a campaign being strongly pursued by Berks and Allegheny counties.

Chancellor Wilkinson introduced Anne-Gaëlle Prost from the Lyons (France) Bar Association. Ms. Prost returns to France on Friday after a six-month internship at the Wilson Elser firm.

There being no further business, the meeting was adjourned at 5:15 p.m.

Respectfully submitted,
Sophia Lee
Secretary

**Board of Governors
Attendance
February 26, 2013**

Voting Members:

Present:

Kathleen Wilkinson
William Fedullo
Albert Dandridge
Sophia Lee
Jacqueline Segal
Wesley Payne
Mary Platt
Marc Zucker
Eric Weitz
John Encarnacion
Gina Rubel
Ourania Papademetriou
James Rocco
Mark Cohen

Aneesh Mehta
Emily Marks
Natalie Klyashtorny
Rachel Kopp
Brad Shuttleworth
Dawn Tancredi
John Savoth
Edward Beitz
Kevin Mincey
Barbara Sicalides
Gordon Wase
Sara Jacobson
Richard Vanderslice
Christian Petrucci

Absent:

Nikki Johnson-Huston
Brian Chacker
Scott Reid
Rachel Branson
Brandi Brice

Jennifer Coatsworth
Kay Yu
Brad Shuttleworth
Meredith Brennan
Rachel Gallegos

Non-Voting Members:

Present:

Rudolph Garcia
Kenneth Shear
Lou Rulli

Deborah Gross
Abraham Reich
Judy Stouffer

Absent:

Lawrence Beaser
Sayde Ladov
Richard Alonso
Deborah Gross
Justine Gudenas

Heather Austin
Flora Yarnall
Cheryl Disch
A. Michael Pratt