

Tri-County Schools Insurance Group

Executive Committee Meeting

Thursday, March 20, 2008

Yuba City Corporation Yard

1185 Market Street

Yuba City, CA 95991

Executive Committee Members Present

Colusa County	Daena Meras, Julie Tucker, Ron Turner
Glenn County	Randy Jones
Modoc County	None
Placer County	None
Plumas County	None
Sierra County	Sue Roberts
Sutter County	Larry Combs, Linda Protine, Charlie Reimers (EBAC), Ryan Robison, Connie Walters
Tehama County	Georgene Neher, Kathleen Wheeler
Yuba County	Dione Beilby (EBAC), Debra Pearson, Cindy Sutfin

Consultants and Others Present

Delta Health Systems	Joe Neff
Evans, Wiechowski & Ward	Matt Evans
NMHC	Terry Harrison, Theresa Lane
Sierra Self-Insurance Services	Michael Krill
TCSIG	Richard Hare, Lynn Whitlock, Roberta Womer
Turner Consulting	David Turner
Wells Fargo	John Klein

A. Call to Order

President Robison called the meeting to order at 9:35 a.m. He noted that a quorum of the Executive Committee was present.

B. Comments from Visitors

President Robison asked if there were any comments from visitors.

There were no comments from the visitors.

C. Consent Agenda

C1. Approval of Minutes of January and February 2008

C2. Approval of Payments for January and February 2008

Mr. Ron Turner made a motion to approve the Consent Agenda. Ms. Julie Tucker seconded the motion which carried.

D. Reports

D1. President's Report

President Robison indicated that he did not have a report for this meeting.

D2. Executive Director's Report

Mr. Hare reported that the free health evaluations were being performed and that next week would be the last week of scheduled screenings. He noted that he did not have participation numbers but felt that the number of members may be smaller than last year.

Mr. Hare reviewed some of the pending legislation. He indicated that the mental health parity legislation could affect Tri-County Schools Insurance Group's plan design. He stated that the legislation would treat mental health like any other illness or plans could omit mental health from coverage.

D3. Mr. Hare reviewed financial statements in anticipation of other items scheduled for this meeting. He noted that all programs were performing well with higher retained earnings than expected.

E. Information and Discussion Items

E1. None

F. Action Items

F1. Consider Allowing Non-Sedating Antihistamines to be Purchased Over-The-Counter with a Prescription and Paying a Generic Copay

Mr. Hare reviewed the background of this item and noted the potential savings to the Plan by offering the Zyrtec OTC and Claritin to our members for a generic copay. The member would have to have a prescription for the product in order for the claim to process.

Ms. Georgene Neher made a motion to add to Tri-County Schools Insurance Group's drug formulary non-sedating antihistamines such as Loratadine (Claritin OTC) and Zyrtec OTC for up to a thirty-one day supply at retail for a generic copay of \$7. Mr. Randy Jones seconded the motion which carried.

F2. Red Bluff Union High School's Certificated Group's Withdrawal Notice

Mr. Larry Combs made a motion to allow Red Bluff Union High School's certificated group to continue their participation in Tri-County Schools Insurance Group's benefit programs subject to a three year commitment and no "buy-in" fee. Ms. Julie Tucker seconded the motion which carried.

F3. Medical Rate Recommendation for FY 2008/2009

Mr. David Turner of Turning Consulting reviewed his preliminary actuarial funding report and graphs of the medical program for 2008/09.

Mr. Hare indicated that the Kaiser rates may be increased six to seven percent rather than the 10 percent indicated in the report.

Dr. Kathleen Wheeler made a motion to accept Tri-County Schools Insurance Group's staff recommendation for this item. The recommendation designates a 95% confidence level for designated retained earnings for claims fluctuation and funding of any increase in projected claims with remaining reserves, thereby not increasing contribution rates in the Premier Plus, Premier, Standard and Basic medical plans and waiver assessment. Further it was recommended that HDHP plans' contribution rates be reduced five percent and the Kaiser rates be increased no more than 10 percent based upon the final submission. Ms. Georgene Neher seconded the motion.

A general discussion ensued regarding possibly increasing the PPO Plans a small amount to offset future rate increases. The discussion also covered the year-end amount of retained earnings and how best to utilize them.

President Robison called for the vote. The motion carried with one opposing vote.

F4. Dental Rate Recommendation for FY 2008-2009

Mr. Ron Turner made a motion to accept staffs' recommendation which is that the dental rates remain the same for FY 2008/2009 as established in FY 2007/2008. Mr. Randy Jones seconded the motion which carried.

F5. Vision Rate Recommendation for FY 2008/2009

Mr. Julie Tucker made a motion to accept staffs' recommendation which is that the vision rates remain the same for FY 2008/2009 as established in FY 2007/2008. Dr. Kathleen Wheeler seconded the motion which carried.

F6. Consider Property/Casualty Program Rate Recommendation

Mr. Hare reviewed the background of this item. He stated that the formation of the Superior California Excess Liability Fund last year was beneficial in obtaining good rates for FY 2008/2009. He noted that the recommendation was outlined by item.

Mr. Ron Turner made a motion to accept staffs' recommendation for the Property/Casualty Program. The recommendation is:

FY 2008/2009 property program rates to our members to remain the same as FY 2007/2008.

FY 2008/2009 liability rates to our members to remain the same as FY 2007/2008.

Self-insurance deductible fund requires no increase.

The contribution to Superior California Excess Liability Fund to remain the same as FY 2007/2008 (\$204,434).

Designated retained earnings for claims stabilization reserve as seven times the SIR of \$250,000 x 7 = \$1,750,000.

Purchase excess liability from \$250,000 to \$1,000,000 from Superior or commercial coverage.

Purchase excess liability above \$1,000,000 to \$5,000,000 through SELF or commercial coverage.

Purchase excess liability above \$5,000,000 to \$20,000,000 through SELF or commercial coverage.

Ms. Julie Tucker seconded the motion which carried.

F7. Approve FY 2008/2009 Budget for Recommendation to the Joint Powers Board

Mr. Hare reviewed the recommended budget noting that once the final rates for Kaiser are established the budget would be adjusted accordingly.

Mr. Larry Combs made a motion to adopt the fiscal year 2008/2009 budget for recommendation to the Joint Powers Authority Board. Ms. Linda Protine seconded the motion which carried.

G. Closed Session

President Robison called for a Closed Session at 10:20 a.m.

H. Return to Open Session

President Robison called for Open Session at 11:25 a.m. He reported the following action:

Authorize Tri-County Schools Insurance Group's staff to terminate and give notice to NMHC that their contract will not be renewed effective July 1, 2008.

Authorize Tri-County Schools Insurance Group's staff to finalize negotiations and complete the contract with the new PBM subject to contract language review by the law firm Evans, Wiechowski and Ward, LLP.

The Executive Committee also authorized the Executive Director to sign a three year contract with Gilbert and Associates for independent auditing services.

Closed Session

President Robison called for a Closed Session at 11:30 a.m.

Return to Open Session

President Robison called for an Open Session at 11:56 a.m. He reported that the Executive Committee had reviewed the evaluation results for the Executive Director and would provide a final report at the April 10, 2008 Executive Committee meeting.

I. Items for Next Agenda

None

J. Adjournment

President Robison adjourned the meeting at 11:52 a.m.

Respectfully submitted,

Roberta Womer
Recorder
03-20-08