

Tri-County Schools Insurance Group

Executive Committee Meeting

Thursday, May 22, 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	Cameron Abbott
Sierra County	None
Sutter County	Jeffrey Holland, Ryan Robison
Tehama County	Kathleen Wheeler
Yuba County	Al Alt, Debra Pearson, Cindy Sutfin

Consultants and Others Present

Delta Health Systems	Joe Neff
EnvisionRxOptions	Sean Morrison
Sierra Self-Insurance Services	Michael Krill
TCSIG	Richard Hare, Roberta Womer
Turner Consulting	David Turner
Wells Fargo	John Klein

A. Call to Order

President Robison called the meeting to order at 9:50 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 April 10, 2008
- C2. Approval of Payments for January and April 2008

Secretary Alt made a motion to approve the Consent Agenda. Ms. Daena Meras 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 he had visited a number of sites to review the health care benefits for employees during the open enrollment period. He noted that there was more interest in the High Deductible Health Plans and wanted to remind everyone that lower rates for these plans were adopted by the Board. He also indicated that he had received many positive comments from members regarding the actions of the Executive Committee.

Mr. Hare indicated that the office would begin summer hours the first week in June and end the last week in August. The office would be closed on Fridays; however, he would be available if he was needed by any of the employers.

D3. Mr. Hare reviewed the financial statements. He noted that the retained earnings in the medical program were down slightly and that April was the seconded highest month of claims this year. Mr. Hare reported that the dental and vision programs were performing as expected. The property/casualty program retained earnings were slightly lower than predicted.

Mr. Hare indicated that he had heard that CalPERS and CVT were not expecting rate increases for 2008-09. Mr. David Turner reported that CalPERS was using a portion of their retained earning to buy-down any increase in rates.

E. Information and Discussion Items

None

E1. EnvisionRxOptions Presentation

Mr. Sean Morrison of EnvisionRxOptions reviewed the background of Envision's history and their approach to providing pharmacy benefits to Tri-County Schools Insurance Group. He reported that the contract would be based on an administrative per member/per month fee. All discounts and rebates would be passed through to Tri-County Schools Insurance Group.

Mr. Hare indicated that Longs would be the mail order pharmacy vendor effective July 1, 2008 and that their facility was in Sacramento.

F. Action Items

F1. Consider Appropriation from Undesignated Retained Earnings for Payoff of Retirement System Side Fund

Mr. Hare reviewed the background of this item noting that Tri-County Schools Insurance Group was placed into the small employers' pool and that the side fund was established to equalize the assets of all members of that pool.

Mr. Hare stated that paying off the side fund would be to Tri-County Schools Insurance Group's advantage since CalPERS calculates a 7.75% rate of interest on the outstanding liability compared to Tri-County Schools Insurance Group's average return on invested funds of four percent.

Dr. Kathleen Wheeler made a motion that Tri-County Schools Insurance Group pay off the side fund at the end of this fiscal year from an appropriation of undesignated retained earnings in the amount specified by CalPERS based on retirement contract at that time. Mr. Cameron Abbott seconded the motion which carried.

F2. Consider Adoption of Resolution of Intention to Approve Amendment to California Public Employees' Retirement System Contract

Mr. Hare reviewed the background of this item. He reported that the Cost Analysis indicates an impact of 4.709% for fiscal year 2008/2009 and 4.7% for 2009/2010. He indicated that this increase would be approximately \$1,302 per month. He also noted that the employee contribution would increase from 7% to 8%.

Mr. Hare disclosed the following values identified in the amendment actuarial valuation for the adoption of this plan amendment:

- 1) Change in the present value of benefits, \$140,297
- 2) Change in the accrued liability, \$70,473
- 3) Change in the total employer rate, 4.709%

Secretary Alt made a motion to adoption the resolution of intention to approve amendment to the California Public Employees' Retirement System contract. Dr. Kathleen Wheeler seconded the motion which carried.

F3. Require Pre-certification of Durable Medical Equipment Over \$2,000

Mr. Hare indicated that the DME pre-certification is currently at \$1,000 and that it has been at this level for some time. He stated that Anthem is recommending increasing the amount to be pre-certified to \$2,000 to reduce the number of pre-certifications performed. He also indicated that if the current level were maintained, Anthem may want to charge a separate fee for this service.

Mr. Debra Pearson made a motion to amend the Plan Document to increase the pre-certification requirement from \$1,000 to \$2,000. Mr. Cameron Abbott seconded the motion which carried.

F4. Amendment of Quantity Limit for Support Stockings

Mr. Hare reviewed the background of this item.

Mr. Jeff Holland made a motion to amend the Plan Document by removing the quantity limitation for support stockings. Dr. Kathleen Wheeler seconded the motion which carried.

G. Closed Session

President Robison called for a Closed Session at 10:50 a.m.

H. Return to Open Session

President Robison called for Open Session at 11:25 a.m. He reported that no action was taken in Closed Session.

I. Items for Next Agenda

None

J. Adjournment

President Robison called for a motion to adjourn.

Dr. Kathleen Wheeler stated that this would be her last Executive Committee meeting since she was retiring. She also thanked the members of the Committee.

Dr. Kathleen Wheeler made a motion to adjourn. Secretary Alt seconded the motion which carried. President Robison thanked Dr. Wheeler for her service to the Joint Powers Board and adjourned the meeting at 11:27 a.m.

Respectfully submitted,

Roberta Womer
Recorder
05-22-08