

## Tri-County Schools Insurance Group

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### Executive Committee Meeting

Thursday, August 21, 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 | Sue Roberts  |
| Sutter County | Baldev Johal, Jeffery Holland, Stephanie Larsen, Ryan Robison, Alice Williams-Root (EBAC), |
| Tehama County | Wes Combes   |
| Yuba County   | Al Alt, Cindy Sutfin   |

### Consultants and Others Present

|                                |                             |
|--------------------------------|-----------------------------|
| Delta Health Systems           | Joe Neff, Jonathon Short    |
| Evans, Wieckowski & Ward       | Dan Jay                     |
| Sierra Self-Insurance Services | Michael Bryant, Mike Krill  |
| TCSIG                          | Richard Hare, Roberta Womer |
| Wells Fargo                    | John Klein                  |

A. Call to Order

President Robison called the meeting to order at 9:3 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 June 19, 2008
- C2. Approval of Payments for June and July 2008

Mr. Ron Turner made a motion to approve the Consent Agenda. Mr. Wes Combes seconded the motion which carried.

D. Reports

D1. President's Report

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

D2. Executive Director's Report

Mr. Hare introduced Alice Williams-Root from the Sutter County Health Department as the newest representative of the Employee Benefits Advisory Committee. She serves on the Executive Committee along with Charlie Reimers. Mr. Hare noted that an Employee Benefits Advisory Committee meeting will be scheduled in September.

Mr. Hare stated that the retirement system amendment approved in June by the Executive Committee was accepted by CalPERS. He stated that Tri-County Schools Insurance Group's staff was very thankful and appreciative of the COLA adjustment which covered their additional one percent contribution. The staff now contributes eight percent toward their PERS retirement. Mr. Hare also reported that the retirement side fund was paid in July lowering TCSIG's employer contribution to PERS from a projected 21.5 percent to 12.5 percent. He noted that next year would be approximately 11.5 percent.

Mr. Hare reported that the year-end reporting is underway and that the auditors have begun their work. He stated that new auditing firm is Gilbert and Associates.

Mr. Hare stated that in the possible transition for the Tahoe-Truckee Unified School District from the First Health Network to the Blue Cross Network, Blue Cross is still trying to identify more contracting physicians in that area. Mr. Hare also noted that Ralph Johnson is working at the Tahoe-Truckee Unified School District as the Interim Assistant Superintendent and that Mr. Stephen Jennings was hired as the Superintendent.

Mr. Hare reported that the transition from NMHC to EnvisionRxOptions had been fairly smooth. He noted that Envision and TCSIG had weekly meetings for two months prior to July 1<sup>st</sup>. He also stated that Envision's staff has been excellent in their follow through on any issues that have needed to be resolved. Mr. Hare stated that our Envision account manager was in our office on July 1<sup>st</sup> assisting TCSIG's staff with the online system. Follow up training would take place the first week in September. Mr. Hare reported that the new mail order pharmacy, Escalante Solutions Mail Order, had identified some errors made by NHMC in processing copays. He also noted that there were some copay issues related to the Tier 2 (preferred) and Tier 3 (non-preferred) but those were being "grandfathered" until January 1.

E. Information and Discussion Items

None

F. Action Items

F1. Consider 2009 Meeting Calendar

Secretary Alt made a motion to adopt the 2009 meeting calendar as presented. Ms. Julie Tucker seconded the motion which carried.

F2. Consider Approval of the Tri-County Schools Insurance Group Employee Handbook

Mr. Wes Combes made a motion to approve the Tri-County Schools Insurance Group Employee Handbook as presented. Ms. Julie Tucker seconded the motion which carried.

F3. Consider Plan Amendment Expanding Approved Birth Control Measures

Ms. Julie Tucker made a motion to amend Exclusion 21 to state: "Over-the-counter birth control devices, contraceptives or medications used for contraceptive purposes; however, prescribed birth control pills and other prescribed hormonal contraceptive methods, as well as the implantation of an intrauterine device (IUD) are covered." Ms. Stephanie Larsen seconded the motion which carried.

Mr. Joseph Neff asked for clarification on the effective date of this amendment. Mr. Hare stated the amendment was to be immediate and include any pending claims or currently disputed claim.

F4. Consider Buy-In Recommendation

Mr. Hare reported that the subcommittee, Larry Combs, Wes Combes, Baldev Johal and Ryan Robison had met to review the buy-in conditions of new or returning members to Tri-County Schools Insurance Group. He noted that the current buy-in calculation was a barrier to new members.

Mr. Hare offered the following approach to new or returning, for those whose level of risk was deemed higher than average would have a "buy-in" of \$40 per month for 36 months. That would equal \$1,440. As the risk factors are deemed lower, the level of "buy-in" would decrease. If a new member paid the "buy-in" lump sum upon joining then they would receive a 15% discount, if paid over one year a 10% discount, over two years a 5% discount. The following table illustrates the approach.

| <b>Buy-in<br/>PEPM</b> | <b>Months</b> | <b>3 yrs</b> | <b>2 yrs<br/>5% discount</b> | <b>1 yr<br/>10% discount</b> | <b>Lump Sum<br/>15% discount</b> |
|------------------------|---------------|--------------|------------------------------|------------------------------|----------------------------------|
| 40                     | 36            | 1440         | 1368                         | 1296                         | 1224                             |
| 30                     | 36            | 1080         | 1026                         | 972                          | 918                              |
| 20                     | 36            | 720          | 684                          | 648                          | 612                              |
| 10                     | 36            | 360          | 342                          | 324                          | 306                              |
| 0                      |               | 0            | 0                            | 0                            | 0                                |

The \$40 level added to our employee only rate or composite rate would still make TCSIG plans competitive with CALPERS programs and with other public sector health plans. Our rates remain even more competitive when looking at tiered rate systems for employee plus one rate, family rate,

and retiree rate. The \$40 level per member per month rate is the highest rate charged since 2000.

The subcommittee also discussed how the determination of buy-in should be made. There was concern that a new member would need to have an idea of the costs of membership and sometimes there would not be time to go to the Executive Committee for approval before making a proposal to a new member. It was suggested that an ad hoc subcommittee be convened in the event a new member application requires action. After review with the actuary, the ad hoc subcommittee and the Executive Director, a tentative proposal would be offered to a potential new member. The final approval of membership would be by the Executive Committee at their next meeting if the new member agreed to the terms of the proposal.

Mr. Wes Combes made a motion to approve the buy-in conditions as stated. Vice-President Johal seconded the motion which carried.

F5. Consider New Membership Applications

Mr. Hare reported that he had been contacted by several courts regarding possible inclusion in Tri-County Schools Insurance health care benefits. Those courts are Amador, Del Norte, El Dorado and Tuolumne.

F6. Consider Continuation of Disease Management Program With Delta Health Systems

Mr. Hare reviewed the background of this item. He stated that the cost of the services Delta Health Systems was offering to Tri-County Schools Insurance Group would be the same as Tri-County Schools Insurance Group was currently paying.

Mr. Jonathon Short, Director of Health and Wellness Services at Delta Health Systems, outline this item. Mr. Short reported that two additional services will be available for Tri-County Schools Insurance Group members. They are Disease Management Data Stratification and Outreach via Registered Nurses and Health Educations and TeamCare 24/7 – Online Personal Health Management System.

Mr. Short stated that the Disease Management program does not rely on self-reporting but instead it captures all of the information available from previous self-reports, medical claims history, prescription history, IHS health evaluations and current tools such as My ePhit. Mr. Short stated that through the analysis of the medical, pharmaceutical and laboratory data along with the historical data from Managing for Tomorrow, Delta TeamCare will identify program candidates in three risk areas, high-risk population, moderate-risk population and healthy population, and provide support.

Mr. Jeff Holland made a motion to approve continuation of Delta Health Systems' disease management program. Mr. Wes Combes seconded the motion which carried.

G. Closed Session

President Robison called for a Closed Session at 10:35 a.m.

H. Return to Open Session

President Robison called for Open Session at 11:29 a.m.

President Robison stated that no action was taken in Closed Session.

I. Items for Next Agenda

None

J. Adjournment

President Robison called for a motion to adjourn.

Mr. Cameron Abbott made a motion to adjourn. Mr. Ron Turner seconded the motion which carried.  
President Robison adjourned the meeting at 11:30 a.m.

Respectfully submitted,

*Signature on Original*

Roberta Womer  
Recorder  
08-21-08