

# San Joaquin Valley Insurance Authority

## BOARD OF DIRECTORS

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:  
Tulare County Employee Retirement  
Association Board Chambers  
November 5, 2010  
9:00 AM  
136 N. Akers Street  
Visalia, CA 93291

**AGENDA DATE:** November 5, 2010

**ITEM NUMBER:** 7

**SUBJECT:** Authorize Staff to Explore and Analyze Direct Contracts with Local Hospitals through the California Health Care Coalition

**REQUEST(S):** That the Board:

1. Give direction to SJVIA staff to meet with local hospitals in an effort to obtain information regarding alternative pricing models for the SJVIA.
2. Authorize SJVIA President to execute the attached Mutual Non-Disclosure Agreement with the California Health Care Coalition and interested local hospitals for the sole purpose of exploring alternative pricing arrangements for hospital services within the SJVIA.
3. Authorize the Human Resources Director, or designee, to execute related agreements, amendments, thereto, subject to administrative review and approval by SJVIA Counsel and the Auditor-Treasurer.

## **DISCUSSION:**

As part of the San Joaquin Valley Insurance Authority's effort to explore all possible avenues of health care cost efficiency, staff is recommending that your Board give direction to meet with interested local hospitals regarding the potential benefits and cost savings of a direct contract. In short, employers have the opportunity to eliminate additional administrative costs by contracting directly with local hospitals. It is recommended that SJVIA staff meet with local hospitals in concert with other local members of the California Health Care Coalition (CHCC). The SJVIA is a

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current member of CHCC and would benefit from the additional purchasing power of all entities. It is generally accepted that local hospitals may offer more competitive pricing to larger participating coalitions. This item does not commit the SJVIA to direct contracting but authorizes staff to explore and analyze this option and return to your Board with recommendations.

The attached Mutual Non-Disclosure Agreement was drafted by the California Health Care Coalition and has been used in an Agreement with Doctors Medical Center (DMC) in Modesto. In short, the model Agreement does not commit the SJVIA to direct contracting but rather to keep certain pricing information confidential. Counsel is researching the ability of the SJVIA to comply with the confidentiality provision in light of the California Public Records Act (CPRA). There are exemptions to CPRA that may allow the SJVIA to comply. An update on this analysis will be presented at the Board meeting.

**FISCAL IMPACT/FINANCING:**

None.

**ADMINISTRATIVE SIGN-OFF:**



\_\_\_\_\_  
Tim Huntley  
Tulare County Human Resources Director



\_\_\_\_\_  
Paul Nerland  
Fresno County Employee Benefits Manager

**BEFORE THE BOARD OF DIRECTORS  
SAN JOAQUIN VALLEY INSURANCE  
AUTHORITY**

**IN THE MATTER OF** Authorizing Staff to Explore and Analyze Direct Contracts with Local Hospitals through the California Health Care Coalition

**RESOLUTION NO.** \_\_\_\_\_

**AGREEMENT NO.** \_\_\_\_\_

UPON MOTION OF DIRECTOR \_\_\_\_\_, SECONDED BY DIRECTOR \_\_\_\_\_, THE FOLLOWING WAS ADOPTED BY THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD \_\_\_\_\_, BY THE FOLLOWING VOTE:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

ATTEST:

BY: \_\_\_\_\_

\* \* \* \* \*

1. That the Board of Directors gave direction to SJVIA staff to meet with local hospitals in an effort to obtain information regarding alternative pricing models for the SJVIA.
2. That the Board of Directors authorized the SJVIA President to execute the attached Mutual Non-Disclosure Agreement with the California Health Care Coalition and interested local hospitals for the sole purpose of exploring alternative pricing arrangements for hospital services within the SJVIA.
3. That the Board of Directors authorized authorized the Human Resources Director, or designee, to execute related agreements, amendments, thereto, subject to review and approval by County Counsel and the Auditor-Controller/Treasurer-Tax Collector.