

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 Minutes:
March 5, 2010
10:00 AM

Meeting Called to order:

President Judith Case called the meeting to order at 10:00 AM on March 5, 2010 in the Tulare County Employee Retirement Association Board Chambers at 126 N Akers Street in Visalia, CA.

Roll was called by Michele Mills, Gallagher Benefit Services, to confirm the presence of a quorum: six board members were present, Director Susan Anderson, President Judith Case, Director Mike Ennis, Director Allen Ishida, Director Deborah Poochigian, and Vice President Pete Vander Poel. Director Phil Larson was not present.

Pledge of Allegiance

1. President Judith Case called for the approval of the agenda for the meeting. Vice President Vander Poel motion for the approval, the motion was seconded by Director Ennis.
2. President Judith Case called for the approval minutes of meeting of December 4, 2009, requesting correction to her name on page 4, last name needed to be capitalized. Director Ennis moved for the approval of the minutes with the requested corrections. Motion seconded by (unsure). All in favor, motion approved.
3. No Director's reports were offered.

Action items

4. Status report and solicitation of direction on implementation actions establishing the Authority; including reports on contracts conditionally approved at December 4, 2009 meeting
 - a) Chimienti and Associates
 - b) Gallagher Benefit Services
 - c) High Mark Life (Excess Coverage)
 - d) Walgreens
 - e) Anthem Blue Cross
 1. Administrative Services Only

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2. Minimum Premium Plan Master Agreement
3. Minimum Premium Plan Funding Agreement

Status report given by Paul Nerland, Assistant Human Resources Director, concerning all contracts and implementation process. Mr. Nerland outlined the logistical issues pertaining to the implementation, banking, contracts, and eligibility. He stated transition is nearly completed and that final procedures are being refined for the SJVIA. It is anticipated that all contracts will be completed and ready for execution at the next board meeting.

Judith Case stated that in discussions with Vicki Crow that the process was much more complicated than anticipated. Mr. Nerland concurred and noted the banking arrangement was a tedious process and explained how the accounts are set up and also the process by which claim are paid. Mr. Nerland also stated the interface between Anthem and Chase was a more complicated than anticipated, but payments are now going smoothly.

President Case expressed concern over Anthem Blue Cross negative media coverage and also the delay of the participant ID cards. Mr. Nerland stated that the Anthem Blue Cross transition for the County of Fresno was unacceptable. He stated that Anthem Blue Cross had cited system issues that caused the delay of the cards, also noting that the County HR department continues to work closely with Anthem in weekly meetings to ensure completed tasks. Paul explained that the process is nearing completion and there are very few issues outstanding.

Evelyn Smethers, Administrative Services Manager for the County of Tulare, explained the implementation process with Anthem. Tulare County had a delay in ID cards because of a need for second cards issued due to incorrect claims processor address on the card. Phone calls have slowed down and the work is going smoothly. Communications are mostly by email at this time as any issues arise.

Judith Case questioned what action the Human Resource directors were requesting from the board. Paul Nerland and Tim Huntley responded that this item was a status report regarding the Agreements.

No motion necessary.

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5. County of Kings Health Insurance Request for Proposal and Request Direction to Present Suggested Principles to Guide the Authority for Considering New Members

Tim Huntley, Human Resource Director, spoke on the opinion of the SJVIA to decline to quote on the County of Kings. The language of the agreement currently does not allow new members to join. Stating there would be benefits to have other parties join the authority, Mr. Huntley requested direction to draft principles for consideration of future members. This would save time in the process of rewriting the agreement. Mr. Huntley directed the Board to page two of the agenda item for samples of the principles. Mr. Huntley created these examples understanding that neither county would like to diminish their decision making authority in the JPA. Also suggested surcharge to new members to defray the cost and preserve financial standings.

Director Ennis questioned if adding new members would help with the overall cost of the program. Mr. Huntley explained that the JPA is not currently pooled for risk, only utilizing benefits on the fixed costs. Adding more members would allow for overhead costs to be spread more broadly.

President Case emphasized the need to ensure the SJVIA is successful with the current member entities before adding new members.

Mr. Nerland concurred and stated that SJVIA staff will return with recommended principles to guide staff on the future addition of groups to the JPA. Mr. Huntley added that the concepts would be broad principles at this time. This process would indicate the protocol for accepting or declining groups in the future. As part of the Gallagher fees, it would be GBS responsibility to evaluate the risk of a potentially interested city or county.

Mr. Huntley explained this request from the County of Kings created the need to develop the basic principles for the JPA and adding other entities. He has also heard of other counties and cities that have interest due to the fixed cost savings the authority has at this point.

Director Ennis moved to direct staff to draft principles to guide the authority in its consideration of new members, motion seconded by Vice President Vander Poel. Motion passed unanimously.

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6. Adopt Proposed Budget for 2010

Tim Huntley presented the proposal for the modification of the budget to a fiscal year as opposed to a calendar. The budget item originally distributed was a full 12 month, calendar year budget, now amended to a six month, January 1 through June 30. Mr. Huntley explained that it was originally proposed as a calendar year to coincide with the plan year and premiums. Mr. Huntley requested a recommendation to approve the six month budget to conclude the fiscal year of 09-10.

Stephen Farmer spoke on Vicki Crow, Treasurer's, behalf explaining the ability to run the JPA budget through the County of Fresno People Soft system would streamline the process. The system can handle running on a calendar year, but some difficulties are created. Ms. Crow feels the fiscal year would be the most efficient way to run the budget.

Director Judith Case requested that the Board table the budget agenda item and moving on with the remaining agenda items before taking action on the budget.

7. Confirm or modify date of next Authority meetings scheduled for May 7th, July 2nd and September 3rd, 2010.

President Case explained the need to move the July and September meetings due to holidays near both meeting dates.

Vice President Vander Poel moved to confirm the May 7th meeting and reschedule the July 2nd meeting to July 16th in Visalia and the September 3rd meeting to the 17th in Fresno. Motion seconded by Director Poochigian, passing unanimously.

8. Participation in the California Health Care Coalition

Paul Nerland spoke on the participation in the California Health Care Coalition. He delivered background on the organization, explaining the purpose is to reduce cost and that staffing and leadership has changed and listed some local participants. Paul stated the cost is capped at \$10,000 regardless of the size of the group and that participation is based on a calendar year.

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Director Poochigian asked where this would fit in to the proposed budget. Mr. Nerland explained this would fall under the claims management fund calculated into the budget. She also asked if the County of Tulare had participated in the past, they had not. Mr. Huntley explained that staff would support the participation in the CHCC.

President Case asked how long Fresno has been a member and asked what the CHCC has done for the County of Fresno to this point. Mr. Nerland explained the County had just completed their first year of participation and that there were no tangible results had been presented to date.

President Case noted that claims utilization data and emphasis on the consumer education is more important than hospital intervention. She stated she would be willing to reconsider in December pending positive results from the CHCC for Fresno. The County of Fresno has not yet committed to joining the CHCC for the 2010 year. Paul suggested possibly having CHCC present to the board at a future meeting.

Vice President Vander Poel requested the review of results and return on investment for another entity. Director Anderson requested a presentation from the CHCC before the authority will commit to participate.

Director Poochigian moved to invite CHCC to present at a meeting later this year in consideration for possible 2010 or 2011 participation, seconded by Vice President Vander Poel. Motion passed, all in favor.

9. Authorization to Solicit Medical Management/ Health Promotion and Employee Engagement Service Capabilities with Current and Prospective Vendors.

Tim Huntley began the discussion of medical management and the ability to analyze and manage the claims.

Alan Thaxter, Gallagher Benefit Services, presented the report on the capability of Anthem to manage claims and deliver wellness options. Next steps are to coordinate meeting with Anthem and staff of the JPA and both counties to explore Anthem's current programs. President Case expressed interest in the availability of the data and attending meeting with Anthem.

President Case again expressed the desire to see hard data and possibly hiring an entity or person(s) for utilization review. She also suggested employing a per diem professional to filter and review the JPA data.

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Tim Huntley requested clarification between 'RFI' (request for information) and 'RFP' (request for proposal). Bruce Caldwell, Gallagher Benefit Services explained the benefit of a 'boutique firms' for medical management. The RFI would serve as the ability to look at all capabilities of Anthem Blue Cross and also other entities on an informational basis. Mr. Huntley stated the analysis should include the benefit of adding a staff person to help with review of claims data.

Director Poochigian moved, President Case seconded to direct staff to conduct the request for information and also to begin the next meeting, May 7th at 9am to allow time for presentations.

6. Tabled Item - Adopt Proposed Budget for 2010

Tim Huntley suggested item 7 on the budget be edited to be called 'claims mitigation'.

Vice President Vander Poel motioned to change line item to 'claims mitigation', approve proposed 6 month budget, and to adapt a fiscal budget year beginning July 1, 2010. The motion was seconded by Director Anderson. All in approval

10. Public comment – none

Meeting adjourned at 11:35am by President Judith Case.