

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:
May 7, 2010
9:00 AM

Meeting Called to Order:

President Judith Case called the meeting to order at 9:10 AM at the Fresno County Employee Retirement Association Board Chambers at 1111 H Street in Fresno, CA.

Pledge of Allegiance

Roll was called by Michele Mills, Gallagher Benefit Services. Four Board Members were present: Director Larson, President Case, Director Vander Poel and Director Anderson. Absent were Director Ennis, Director Ishida, and Director Poochigian.

1. Approve Agenda

President Judith Case called for the approval of the agenda. Director Larson moved, seconded by Director Vander Poel. Motion unanimously approved.

2. Approve Minutes of Meeting of March 5, 2010

President Judith Case called for corrections or additions to the minutes from the meeting of March 5, 2010. There were no corrections or additions. Director Anderson moved to approve the minutes, Director Larson seconded the motion. Motion unanimously approved.

3. Anthem Blue Cross 360° Health Presentation

Mr. Huntley introduced the Anthem team with background on the need for claims mitigation and concerns of the Board. He explained that Anthem has capabilities that the Board should be made aware of, and that we use this presentation as the basis of decisions made on the next agenda item.

Ted Carter from Anthem, account executive for Anthem 360 health, gave an overview of the health and wellness solutions currently part of the Anthem 360 health program.

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Director Vander Poel questioned how the anthem 360 services are accessed and instigated. Ted Carter explained that individual claims trigger these services if they are added as part of the package for the SJVIA. Tim Huntley outlined that some of the services are at an additional cost.

Dr. Tony Linares, medical director for Anthem Blue Cross, presented the complex care program overview. President Case asked if Anthem had the total number of hospitalizations and if it could be broken out by Tulare and Fresno. Dr. Linares explained that Anthem does have this capability.

Judith Case asked if there are any programs that involve incentives for participation and goal completion. Dr. Linares explained that there are many programs that can integrate an incentive into the treatment program. He also explained that incentives can be direct financial, waived or reduced copays, or giftcards.

Director Vander Poel commended the sample complex care case brought by Anthem.

Ted Carter summarized what the next steps could be for the SJVIA health and wellness program.

Judith Case asked if there is a capability to have reporting sent to Board members. Mr. Nerland explained that the intent is to provide the quarterly data to Board members. Director Anderson asked if programs could be made available only to high risk members vs. all members. Mr. Nerland explained that some programs by nature are only available to high risk individuals.

4. Strategies for Claims Mitigation Funds Allocated in the SJIVA Budget.

No action related to this item due to the lack of a majority from both counties.

5. Authorize SJVIA President to Execute SJVIA Agreements Conditionally Approved on December 4, 2009 and Receive Status Report on Remaining Agreements.

Paul Nerland explained that a majority of each member entity needs to be present to have contracts approved. Paul stated that it may be prudent to come back when a majority from both counties is present and review contracts at the next meeting.

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President Case suggested there be a separate meeting to review and approve contracts. Mark Tucker, GBS, stated that there would be no issues at the carrier level if the contract approval was delayed. Art Wille, SJVIA Counsel stated that the GBS contract could be approved without a majority from both counties.

Paul Nerland gave an overview of the contracts and their status. Mr. Nerland explained GBS's role in the SJVIA, as consulting, underwriting, and administration. He outlined the cost and that it has been approved by the Board.

Director Anderson moved to approve and execute the GBS consulting agreement. Director Larson seconded the motion. All were in favor, motion was approved.

President Case asked about the rebates on the Walgreen's contract. She is not familiar with the rebate process and asked that more information be presented at the next meeting. Mr. Nerland stated that in a contract with a PBM as a self-insured client, that rebates are passed back to the client, instead of kept by the vendor. These rebates offset the costs of the program. Mark Tucker, GBS, explained that rebates are generated by the number of drugs that are dispensed according to the formulary, or list of covered drugs. These rebates are used to offset the costs of the plan in the upcoming year. He explained that rebates are lagged by 3 quarters, also clarifying that each county's rebates will be credited back to the respective county. Paul explained that the rebates can be substantial in offsetting costs of the plan. Case asked if there is a way to influence rebates. Mark explained that you cannot influence rebates outside of the PBM.

6. Proposed Guidelines for SJVIA Future Expansion

No action or discussion on this item due to a lack of majority of both counties.

7. Adoption of Class Specifications for SJVIA Positions

No action or discussion on this item due to a lack of majority of both counties.

8. Adoption of Conflict of Interest Code for the San Joaquin Valley Insurance Authority.

Art Wille, SJVIA Counsel, presented this item. Conflict of Interest Code is required by public entities. Regulations that govern conflict of interest code over compound public

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entities call for special code reviewing by the FPPC (Fair Political Practices Commission) for consideration. Staff and both counties recommend that the SJVIA adopt the model conflict of interest code, making it more likely to be approved. The SJVIA needs to send the sample code to the FPPC 45 days prior to the adoption of the code. Once the notice and proposed code are sent in there will be a period of about 60 days for the response. Staff should be able to recommend that the board adopt the code at the next meeting

Director Larson made the motion to adopt the model code, seconded by Director Vander Poel. Motion approved with a hearing date coinciding with the next Board meeting (July 16, 2010).

Judith Case asked if there should be a reference to Form 700 as part of this process. Mr. Huntley stated that a link was included on the agenda item rather than including all forms.

Mr. Nerland asked if the forms will be completed and filed. Forms will be completed and filed by Fresno County Counsel office. Mr. Wille explained that it can be completed according to the proposed code. Phil Larson asked if the Board Members were not obligated to file because the code had not been adopted. Mr Wille stated that this statement was correct. Mr. Wille stated that after the code is adopted an amended form can be filed and added that all boards the Director(s) serve on need to be disclosed.

Judith Case asked who will preserve the forms following their filing. Mr. Wille will discuss with Tim and Paul about who needs to maintain copies. Both counties may need to maintain copies, and also with the FPPC. SJVIA Counsel will insure that the statements will be kept in an appropriate location for public review if needed.

Director Larson made the motion to adopt the model code, seconded by Director Vander Poel. The motion approved with a hearing date coinciding with the next Board meeting (July 16, 2010).

9. Report and Receive Direction on Healthcare Reform Overage Dependent Status

Paul Nerland gave background on the health care reform issue of overage dependents and the upcoming change enacted by Anthem, stating that overage dependents can, as of June 1, 2010, remain on the plan up to age 26. Tim Huntley explained that the only impact of this would be to any premium paid on behalf of the dependent. He also explained that anyone in this category that has a medical condition would likely remain on the plan through COBRA.

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Moved by Director Larson and seconded by Director Vander Poel. All approved.

Director Case called for any director's reports and thanked Anthem for being present and delivering the utilization information.

President Case adjourned the meeting at 10:36 AM.