

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:
July 16, 2010
10:00 AM

Pledge of Allegiance

Meeting was called to order at 10:00 AM by President Case. Attendance called by Michele Mills, Gallagher Benefit Services. In attendance were President Judy Case, Vice President Pete Vander Poel, Director Mike Ennis, Director Allen Ishida, Director Phil Larson, and Director Deborah Poochigian. Director Susan Anderson was absent.

1. Approve Minutes of Meeting of May 7, 2010

President Case called for the approval of the minutes from the May 7, 2010 meeting. Vice President Vander Poel moved for approval, motion was seconded by Director Ishida. Motion passed unanimously.

Discussion regarding several Board members having other meetings that will limit the length of the meeting. It was suggested that the agenda be altered in the interest of time. Items 2, 6, and 9 will take priority.

2. Approve Budget for Fiscal Year 2010-2011

Alan Thaxter, GBS summarized the history of the passing of the 6 month budget to align the SJVIA on a fiscal year of July 1, 2010 through June 30, 2011.

Director Poochigian asked for clarification on how the budget was developed. Mr. Huntley explained the budget was doubled from the initial 6 month budget. Mr. Huntley further stated the budget may be altered at a future meeting to include solid renewal projections for the plan year beginning January 1, 2011.

Director Ennis moved for the approval of the budget, second by Director Poochigian. Motion approved unanimously.

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3. Recommend Amendment of JPA Agreements to allow participation of alternates at Board of Directors meetings in the absence of appointed Directors.

Mr. Huntley explained there have been difficulties in achieving a quorum at each meeting from each County. Mr. Huntley stated there are no qualifications specified in the agreements for a Board Member. Director Larson suggested a list be put into place with recommended protocol for alternates. Mr. Huntley explained that membership to the SJVIA board are appointees from each county's respective Board.

Director Poochigian mentioned it would be Fresno's desire that their alternate member be another board member from each County. President Case suggested that it be the responsibility of the Board Member to arrange for an alternate if their attendance is not feasible.

Mr. Huntley stated that staff recommends that each County establish an alternate as well as establish a procedure for notification of attendance.

Director Poochigian suggested the Board of Supervisors recommend all other Board members from each County be selected as alternate members.

Mr. Wille stated that each county counsel's office and staff will work to draft the appropriate language for the JPA agreement to include language for alternate board members.

Direction given by the board to draft language to alter the JPA agreement, no action needed.

4. SJVIA Health Plan Renewal Discussion and Review of Rating Methodology

Mr. Nerland explained that the process of reviewing claims history and applying methodology to project needed rate increase for the 2011 plan year has begun for both counties.

Mark Tucker, Gallagher Benefit Services, outlined the rating methodology applied to project future rates and expenses for each respective health plan. Mr. Tucker also explained that fixed costs are identical for all plans, also stating that HMO only applies to the County of Fresno.

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President Case asked for some explanation as to why the claims rate is higher than the County of Tulare. Mr. Tucker explained that the Fresno PPO is a much smaller group that tends to be the older and less healthy risk population, whereas County of Tulare's projection is an overview of all claims members.

Director Poochigian asked that staff offer their opinion on adopting the proposed methodology. Mr. Nerland explained that the claims projection method was certified last year both by Gallagher actuarial as well as outside review.

Director Poochigian moved and Director Ishida seconded the motion to approve the rating methodology for the SJIVA. Motion unanimously approved.

5. Year to Date Claims Review and Recommended Strategies for Claims Mitigation Funds Allocated in the SJIVA Budget

Due to President Case and Vice President Vander Poel having a prior commitment, this item was not addressed in its entirety. However, consultant to California Health Care Coalition, John Glynn, was in attendance and allowed to present. This item is to be revisited at the August 20th special meeting.

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

Mr. Nerland, County of Fresno, explained that the agreements were brought before the Board last meeting, but as a quorum from both counties was not present. Mr. Nerland gave a brief overview of the agreements that are approved and ready for board signature.

Director Poochigian questioned the length of the Walgreen's agreement. Mark Tucker, GBS explained that typically a PBM contract is lengthier agreement and competitive pricing issues can be changed within the agreement. Director Poochigian also questioned the term of the contracts on fiscal versus calendar year. Mr. Huntley explained that the contracts are aligned with policy year, which happens to be calendar year in the case of both Counties.

Clarification to the budget agenda item that the Chimienti contract should be listed as effective 12/09 and not 12/10.

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Director Ennis moved that all agreements approved by GBS and staff be executed by the Board. Motion seconded by Director Vander Poel. Motion unanimously approved.

7. Proposed Guidelines for SJVIA Future Expansion

Due to President Case and Vice President Vander Poel having a prior commitment, this item was moved to the August 20th meeting agenda.

8. Adoption of Class Specifications for SJVIA Positions

Due to President Case and Vice President Vander Poel having a prior commitment, this item was moved to the August 20th meeting agenda.

9. Public hearing for Adoption of Conflict of Interest Code for the San Joaquin Valley Insurance Authority

Art Wille, County Counsel, County of Fresno, presented this agenda item. Mr. Wille commented that staff has directed to hold a public hearing in response to the letter sent to the FPPC.

Form 700 need to be filed with a local person, copies held here, but originals need to be sent to the FPPC. The FPPC serves as the filing office for the forms. Staff recommends this also as the SJVIA does not have a physical location. Mr. Wille did receive direction that the FPPC requires originals, but no code or regulation was cited. Cyndi Glaser of the FPPC provided the direction. Mr. Wille also stated that consultants and contractors to the SJVIA may need to file Form 700 forms with the FPPC. Mr. Wille as well as staff and counsel from the County of Tulare will assist in this process.

For members of the Boards – these forms should be filed within 30 days of today’s meeting. Director Poochigian asked that this information be provided in writing to counsel. Each director needs to submit their original to their respective county staff member. A copy will made maintained at each county, with a copy of all forms housed in Fresno. Originals will then be sent to the FPPC.

Director Poochigian requested a memo from Mr Wille regarding his conversation with Ms. Glaser outlining the timing and requirements of the filing procedure. Mr. Wille stated that he will follow today’s meeting with a memo to each Board Member. Mr. Wille will also confirm whether the form needs to be current of if last year’s form will be acceptable.

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Public Hearing was opened by President Case. No comments were offered and hearing closed.

Motion by Director Poochigian that forms be submitted under the current law. Seconded by Vice President Vander Poel. Motion passed unanimously.

Discussion of altering meeting time as well as setting special meeting to address remaining agenda items:

Discussion was opened at this time to moving the standing meeting time to 9:30 due to several Board Members also having other standing meetings times following the SJVIA board meetings. Director Larson moved, Vice President Vander Poel seconded that the meeting time be moved to 9:30 effective next meeting. Motion passed unanimously.

Further discussion to hold a special meeting in August to address agenda items 5, 7, and 8 and also to review updated renewal information.

A motion was made by Director Poochigian to hold a special meeting on August 20 at 8:30 at the Tulare County Employee Retirement Association Board Chambers, seconded by Director Larson. The motion was unanimously approved. A special meeting is set for 8:30 on August 20th.

10. Directors reports – Information

There were no director's reports.

11. Public Comment

There was no public comment.

Meeting adjourned at 12:10pm.