

Meeting Minutes

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:
Fresno County Employee Retirement
Association Board Chambers
1111 H Street
Fresno, CA 93721
April 20, 2012
9:00 AM

1. Call to Order

Meeting was called to order by President Vander Poel at 9:01am.

2. Roll Call

Roll was called by Brittany Harlan, Gallagher Benefit Services. Present were President Pete Vander Poel, Vice President Debbie Poochigian, Director Susan Anderson, Director Phil Larson, and Director Mike Ennis. Director Steve Worthley was in attendance as alternate for Allen Ishida.

3. Approval of Agenda

Director Anderson moved to approve the agenda, Director Ennis seconded the motion. Motion unanimously approved.

4. Public Comment

President Vander Poel opened the meeting for public comment – no public comment was given.

5. Consent Agenda – Items 5a through 5f.

Director Ennis moved to approve the consent calendar with approval to pull 5c, Director Worthley seconded the motion. Motion unanimously approved.

a. Approval of Minutes – Board Meeting of January 20, 2012

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- b. Receive and File SJVIA Executive Claims Summary through February 2012
 - c. Receive and File Report on SJVIA Marketing Activity

Jeff Cardell, SJVIA Assistant Manager, asked for approval to pull Item 5c. He gave an update on SJVIA marketing efforts, informing the Board members that City of Tulare will be providing a letter of intent to join SJVIA effective 7/1/12 however, both the County of Kings and City of Coalinga have decided not to join at this time.

Director Larson moved to approve the report on SJVIA Marketing, Vice President Poochigian seconded the motion. Motion unanimously approved.
 - d. Approval of Amendment 2 to the Anthem Blue Cross Administrative Service Agreement (PPO), Anthem Blue Cross Group Benefit Agreement (HMO) and Funding Provision Minimum Premium Agreement (HMO)
 - e. Receive and File Report on follow up to adoption of the SJVIA Investment Policy
 - f. Receive and File Quarterly Financial Report
6. Approve the selection of Blue Shield of California with HealthNow Administrative Services as an additional vendor for the SJVIA and Authorize the Board President to Execute the Blue Shield Shared

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Advantage Plus Agreement, the Blue Shield Group Health Service Contract, and the HealthNow Administrative Services Agreement. (A)

Paul Nerland, SJVIA Manager, went into detail about the growth strategy, specific to Administrative Services, thus far. He revisited the need for a second carrier as well as the RFP process that Gallagher recently performed at the direction of SJVIA Staff. Results showed that Anthem Blue Cross is still the most competitive option with Blue Shield/HealthNow being the most competitive option as a secondary carrier.

Leroy Tucker, Gallagher Benefit Services, explained that if SJVIA is to add new entities, there is a need for a secondary carrier due to the "Blue on Blue Rule". This rule excludes groups who already contract with Anthem Blue Cross; therefore, a secondary carrier is needed to add groups with this issue. He also restated the process of selecting Blue Shield and HealthNow as the secondary carrier due to them offering the most competitive pricing. He asked for recommendation to approve them as the secondary carrier into the SJVIA, giving us the ability to market to more entities.

Leroy Tucker invited the Blue Shield and HealthNow representatives up for introductions. Steve Manzelli, Senior Vice President of Sales, introduced his team, including Kathy Samanns, Executive Director of Compliance/Client Services and Diane Harris, Regional Sales Director for Northern California. Luke Cirkovic, Business Manager for Blue Shield, introduced himself.

Vice President Poochigian asked for clarification on the primary and secondary carriers. Leroy Tucker explained in further detail about the

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“Blue on Blue Rule” mentioned earlier. He stated that most of the larger JPA’s have both Anthem Blue Cross and Blue Shield so that if, for example, an account was presently with Anthem Blue Cross, they would be able to offer that group a quote from the secondary carrier, Blue Shield.

Vice President Poochigian asked if there was a sliding scale in place with our current carrier. Leroy Tucker informed the Board members that we have not yet developed a sliding scale however, this is our intent. In addition, as business grows, we are able to negotiate better rates with the carriers.

Vice President Poochigian moved to approve the selection of Blue Shield of California with HealthNow Administrative Services as an additional vendor for the SJVIA, Director Worthley seconded the motion. Motion unanimously approved.

7. Approve the selection of Demsey, Filliger, & Associates, LLC as outside actuary to perform the annual GASB10 evaluation for the SJVIA and Authorize the Board President to Execute the Special Services Agreement. (A)

Jeff Cardell, SJVIA Assistant Manager, stated that we previous discussed the need to hire an actuarial vendor to perform the annual GASB 10 evaluation. This will allow us to properly book in our financial report our liabilities and confirm that our rate structure is sound from an actuarial perspective. An RFP was conducted for those services and Demsey, Filliger, & Associates, LLC was the most responsive and the best firm to meet the needs of the SJVIA. He asked

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the Board approve the recommendation the selection of Demsey, Filliger and Associates.

Director Larsen moved to approve Demsey, Filliger, & Associates, LLC as outside actuary to perform the annual GASB10 evaluation for the SJVIA, Director Worthley seconded the motion. Motion unanimously approved.

8. Approve the performance of an RFP for Pharmacy Benefit Management Services effective January 1, 2013. (A)

Jeff Cardell, SJVIA Assistant Manager, indicated that we conducted an RFP last year for Pharmacy Benefit Management services to ensure that we were getting the best bank for our buck and because we were experiencing some issues with the Walgreens/Catalyst transition. At that time we decided to remain with the current provider however, their contract expires in December of this year. Staff is recommending conducting another RFP to identify the best provider going forward for SJVIA.

Director Anderson moved to approve this item, Director Ennis seconded the motion. Motion unanimously approved.

9. Approve the revision of the JPA agreement and model Participation Agreement between the County of Fresno and the County of Tulare to allow for expansion. (A)

Paul Nerland, SJVIA Manager, mentioned that back in October 2009 the County of Fresno and County of Tulare executed a JPA Agreement

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to form this entity as well as a Participation Agreement that indicated the benefits each County would implement. Since we are now allowing other entities to join, those Agreements need to be revised to allow others to join. Some of the requirements would be a 3 or 3 ½ year commitment and a 180 day notice if there was an intention to leave after that date. We would like to receive direction to go back to the County Boards for approval, and then come back to the SJVIA Board for final approval.

Vice President Poochigian asked if the SJVIA Board could review those Agreements before they went to the County Boards. Paul Nerland indicated there were some timing issues involved, however the Agreements would ultimately come back to the SJVIA Board for final approval. Director Anderson suggested creating a sub-committee for feedback and/or approval. Vice President Poochigian made the suggestion of taking it to a chair person of each respective County. Paul Nerland also suggested scheduling a special Board Meeting to review these Agreements before they were taken to the County Boards.

Vice President Poochigian made a motion to send the revisions to a Board Chair Person of each respective County first, and then send to the County Boards for approval, Director Worthley seconded the motion. Motion unanimously approved.

10. Approve the release of proposals and authorize the Board President to execute Participation Agreements contingent upon acceptance and approval by the following entities' governing bodies. (A)
 - a. City of Tulare
 - b. County of Kings

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c. City of Coalinga

Jeff Cardell, SJVIA Assistant Manager, stated that we received approval from the Board adopting the underwriting guidelines to grow. We recently provided proposals to three entities understanding that the proposals were illustrative only and needed Board approval. It was further reported that the City of Tulare voted to join SJVIA and they will be submitting a Letter of Intent based on the illustrative proposal. In addition, County of Kings and City of Coalinga have decided not to join at this time. Nonetheless, we are seeking Board approval of the respective illustrative proposals and approval to enter into a Participation Agreement with City of Tulare upon receipt of the Letter of Intent.

Vice President Poochigian wanted to confirm that when we issue proposals, we look at their experience first. Mark Tucker, Gallagher Benefit Services explained the underwriting guidelines used to issue the City of Tulare's proposal and explained that they were only partially credible. This means that their rates were based on 50% experience from the City and 50% experience from the pool. He further explained that the City had a high fixed cost savings due to their size and the appeal to the City was in cost stability since their claims have been fluctuating year to year.

Vice President Poochigian also asked for clarification on the fixed costs, specifically, if these new entities would be contributing financially to SJVIA. Leroy Tucker explained the fixed costs concept and the different fees associated with it. He also mentioned the load added to the City of

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Tulare rates as well as other groups that join in the future. Vice President Poochigian then requested if the Board could receive information by email on the load fees. Gallagher Benefit Services agreed to send documentation related to the load fees to the Board.

Director Ennis made a motion to approve to enter into a Participation Agreement with City of Tulare, Director Anderson seconded the motion. Motion unanimously approved.

11. Receive and File Report on Delta TeamCare Wellness Evaluations. (I)

Paul Nerland, SJVIA Manager, gave some details about the recent Wellness Program that was conducted at both Counties. He introduced Katie with Delta Health Systems to explain the Wellness Report. Katie, Health and Wellness Consultant, gave a detailed overview of the wellness results.

Vice President Poochigian asked if those who participate in the program are the unhealthy population. Katie explained that this is not the case for the first year. President Vander Poel asked if we anticipate the same people coming back next year. Katie stated that typically about 80% come back however, 99% of members who participated said it was helpful so we may see a higher percentage return.

Director Larsen asked how the self-reported assessment results are determined in the report. Katie explained that there are a series of questions asked on the Health Risk Assessment regarding stress, drinking, depression, etc. and those answers are filtered through the

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Quality Assurance Team who take this information and use equations to determine the results listed on the report.

Director Worthley suggested using testimonials from members who participated for the website, newsletters, etc. as a sales tool to gain higher participation next year.

12. Approve the recommended action plan for wellness activities for the remainder of 2012. (A)

Paul Nerland, SJVIA Manager, mentioned that we have funds available for wellness activities. The attachments to this agenda item give a foundation for our wellness efforts and give an overview of some basic activities we can participate in. He explained that each month has a specific health topic we can use. Specifically in June, the topic is Fitness & Weight Management in which, a Walking Program between the two Counties was suggested. Paul Nerland also mentioned an online program that we are looking into to track the progress and results of the program.

Director Anderson made a motion to approve the recommended action plan for wellness activities for the remainder of 2012, Director Larsen seconded the motion. Motion unanimously approved.

13. Directors Reports. (I)

No Director Reports.

14. Adjournment

Meeting was adjourned at 10:30am by President Pete Vander Poel.

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Future SJVIA Board Meetings:

<u>Date</u>	<u>Time</u>	<u>Location</u>
July 20, 2012	9:00 AM	TCERA Board Chambers
August 24, 2012	9:00 AM	FCERA Board Chambers
November 9, 2012	9:00 AM	TCERA Board Chambers

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