



SJVIA

San Joaquin Valley
Insurance Authority

BOARD OF DIRECTORS

ANDREAS BORGEAS

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
February 1, 2013
9:00 AM

AGENDA DATE: February 1, 2013

ITEM NUMBER: 12

SUBJECT: Report on GBS Activity

REQUEST(S): That the Board receive and file the report on Gallagher Benefit Services Activity

DESCRIPTION:

At the November 9, 2012 Board Meeting, your Board requested a report summarizing Gallagher's activity associated with the SJVIA. In response, the attached report outlines the tasks, services and various levels of involvement of Gallagher Benefit Services. Additional detail beyond the information in this report can be provided upon request. Exhibit A summarizes the scope of services provided to the SJVIA by Gallagher. Exhibit B summarizes current Gallagher staff and activity.

FISCAL IMPACT/FINANCING:

None

ADMINISTRATIVE SIGN-OFF:

Jeffrey Cardell
SJVIA Manager

Paul Nerland
Assistant SJVIA Manager

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

IN THE MATTER OF Report on GBS Activity

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: _____

* * * * *

That the Board received and filed the report on Gallagher Benefit Services Activity.

Exhibit A – Scope of Services

GBS has worked closely with the charter members of the SJVIA to develop the structure of the JPA, obtain competitive quotes for the JPA programs, negotiate with the various service providers for the best combination of price and service delivery, and provide an outline for the basic structure of the SJVIA. This work completed in partnership with the County of Fresno and County of Tulare has led to the formation of the SJVIA.

Moving forward, GBS will work closely with the SJVIA Board and staff to help manage the ongoing success of the JPA programs. This will include a wide range of benefits consulting, client service, financial analysis, actuarial modeling, contract renewals and negotiations, and ultimately program marketing and communication support.

Subject to any changes and additions as may be mutually agreed by the parties in writing, GBS will provide the SJVIA a wide range of services, including, but not limited to the following key support categories and services as part of this Agreement:

Strategic Planning

- Annual strategic planning meeting with SJVIA Board and staff
- Develop reporting outlining the agreed upon strategic initiatives
- Quarterly meetings covering the progress of strategic initiatives
- Attend annual Board planning session
- Attend annual Member meeting
- Ongoing meetings with current and potential member agencies
- Ongoing feedback covering benefit alternatives

Financial Monitoring and Reporting

- Develop annual budgets for SJVIA programs
- Provide quarterly summary loss experience reports to JPA
- Provide quarterly reports covering actual versus budgeted costs
- Provide year-end financial reports on the programs in consultation with the SJVIA Treasurer
- Work with the SJVIA to develop the annual financial report
- Provide other financial reporting including actuarial valuations
- Benchmark costs by specific line of coverage

Renewal Services:

- Annual renewal planning meeting with SJVIA to set objectives
- Renewal meetings with program carriers/vendors
- Preliminary renewal report to SJVIA
- Negotiations with all carriers/vendors regarding financial and benefit terms
- Market programs for viable alternatives as necessary
- Final renewal report to SJVIA with recommendations on actions
- Work with SJVIA to communicate renewals to all member agencies
- Clarify/confirm final renewal terms with SJVIA and all carriers/vendors

Renewal Rate Setting:

- Review program rating models with the SJVIA Board and staff



- Develop initial renewal rates using actuarial models and performing the required actuarial valuations
 - Review rating results and modify as needed
 - Develop final renewal rate action and individual member agency rates
 - Discuss rating methods and processes with members as needed
- ☐ **Vendor Management:**
- Work with the SJVIA to identify and address any vendor issues
 - Work with vendors to address billing, claim payment, and other service issues
 - Review vendor contracts and agreements for accuracy
 - Work to develop performance agreements where appropriate
 - Meet with vendor's senior management team to assure the highest level of service to the SJVIA members
- ☐ **Compliance Services:**
- Review current programs with regard to overall compliance
 - Provide compliance updates and alerts
 - Review the impact of proposed and enacted legislation on the SJVIA programs
 - Recommend necessary compliance procedures to the SJVIA and member agencies
- ☐ **Member Agency Support Services:**
- Assistance with difficult service/vendor issues
 - Assistance with member agency and employee level communication pieces
 - Provide educational support to understand new program options developed by the SJVIA
- ☐ **Program Marketing and Promotion:**
- Develop communication materials that depict SJVIA programs and services offered to potential JPA members each year
 - Benchmark of plan data with other joint purchasing arrangements, JPAs, and Trust programs



Exhibit B – Team and Activity Overview

Overview of SJVIA Consulting Team:

As mentioned, GBS has worked closely with the charter members of the SJVIA to develop the structure of the JPA, obtain competitive quotes for the JPA programs, negotiate with the various service providers for the best combination of price and service delivery, and provide an outline for the basic structure of the SJVIA. This work, completed in partnership with the County of Fresno and County of Tulare, led to the formation of the SJVIA. GBS works closely with the SJVIA Board and staff to help manage the ongoing success of the JPA programs. This includes a wide range of benefits consulting, client service, financial analysis, actuarial modeling, contract renewals and negotiations, and program marketing and communication support. These services are provided by the SJVIA's GBS consulting team made up of professionals in and outside of California, with the team's primary service based in the GBS Fresno office. The SJVIA team from Gallagher Benefit Services is made of the following individuals:

LeRoy Tucker, Jr.	Area President
Mark Tucker	Senior Client Consultant
Alan Thaxter	Senior Client Consultant
Bruce Caldwell	Area Senior Vice President
Glen Volk	Enrolled Actuary and Actuarial Consultant
Michel Mills	Senior Client Manager
Brittany Harlan	Client Manager
Stacy Borchardt	Marketing Coordinator
Michael Thomas, Pharm. D	Area President, National Pharmacy Practice
Ali Payne	Area Vice President, Wellness Consulting

Dedicated GBS Staff

Because the SJVIA doesn't have full-time staff, Gallagher provides administrative support for day to day operations and in assisting in virtually all aspects of the JPA. In October of 2011, staff requested GBS provide dedicated staff for ongoing JPA business and administration. GBS committed that Michele Mills, Senior Client Manager, would devote at least 80% of her time to the service and management of the SJVIA. Also at that time, weekly planning meetings with GBS and SJVIA staff commenced and have been held consistently.

In addition to key, ancillary, and ongoing project involvement, Michele's duties provide the SJVIA with the ongoing support required. These services include:

- Vendor Oversight- implementing new plans and services and ongoing maintenance of these programs.
- Vendor Oversight- problem solving.
- Employee Advocacy and Assistance with eligibility and claims issues.
- Determining resolutions required when billing and payment issues arise.
- Compilation and analysis of data from all sources.



- Coordination of meetings and other programs such as claims review meetings, wellness programs and calendars, etc.
- Contract Tracking- reviewing all SJVIA agreements both to participating entities and vendors providing services. Ensure accuracy of rates and terms agreed upon by both parties. Obtaining vendor signature and submitting to SJVIA Board for final execution.
- Weekly Planning Meetings- preparing all agenda and materials for SJVIA Manager and Board meetings as well as coordinating schedules for necessary participants.
- Internal GBS Team Management – tracking of key projects and ongoing tasks to ensure deadlines are met.

Overview of Recent Activity:

Following is a summary of Key, Ongoing, and Ancillary Projects from the past year:

□ Strategic Planning

- Develop, Negotiate, and Implement Dental and Vision Benefit Options for SJVIA (Delta PPO, DHMO, and VSP Vision)
- Provide Direction on Revision of Claims Appeals Processes
- Negotiate and Communicate SJVIA Potential Related to Offering Kaiser and a Plan Option through the SJVIA

□ Financial Monitoring and Reporting

- Facilitate the Adoption of Revised Fiscal Budget
- Assessment of Funds Needed for and Implementation of Mobil Mammography Screening Program
- Assessment of Communication Funds Needed for and Oversight of Open Enrollment Materials
- Draft, Refine, and Present Fiscal Year 2012-13 Budget for Board Approval
- Prepare and Present Executive Summary Claims Reviews at Quarterly Intervals and all Board Meetings

□ Renewal Services and Rate Setting::

- Conduct SJVIA Renewal Underwriting and Present Preliminary and Final Rates
- Conduct Study Projecting Kaiser Migration based on multiple scenarios
- Conduct and Communicate Member Migrations Resulting from Open Enrollments
- Perform Rate Stabilization Calculations and Provide Executive Summary of Findings



- **Vendor Management:**
 - Develop RFP for Second Carrier Options as well as TPA Alternatives
 - Conduct Carrier Network Evaluation including Claims Repricing Study
 - Negotiate Terms with Blue Shield of CA/Health Now as Second Carrier
 - Conduct Pharmacy Benefit Services Request for Proposal, Evaluation and Recommendation
 - Conduct Special Legal Counsel Request for Proposal, Evaluation and Recommendation
 - Negotiate Contract Extension with Current Administrative Service Provider
 - Review and Refine Contract Amendments for Anthem ASO and MPP Agreements
 - Monitor and Facilitate SJVIA Wellness Activities and Provide Vendor Oversight

- **Compliance Services:**
 - Provide Guidance and Direction on the Effects of Healthcare Reform on SJVIA
 - Communicate GASB 10 Requirements and Conduct Request for Proposal for Related Actuarial Services

- **Member Agency Support Services:**
 - Implement New SJVIA Members- City of Tulare and City of Ceres

- **Program Marketing and Promotion:**
 - Perform, Present, and Communicate Underwriting for 20 Separate Prospective Member Entities
 - Develop and Present Updated Underwriting Guideline
 - Develop and Present Advantages to Growth Report to SJVIA Board
 - Report on GBS Marketing Activity to Prospective SJVIA Member Entities
 - Develop and Discuss SJVIA Logo and Letterhead Adopted by Board

