

MINUTES

BOARD OF DIRECTORS

ANDREAS BORGEAS

MIKE ENNIS

BUDDY MENDES

BRIAN PACHECO

DEBORAH A. POOCHIGIAN

PETE VANDER POEL

J. STEVEN WORTHLEY

**Meeting Location:
Tulare County Employees' Retirement
Association Board Chambers
136 N Akers St
Visalia, CA 93291
April 10, 2015 9:00 AM**

1. Call to Order

Meeting was called to order by Director Poochigian at 9:00 AM.

2. Roll Call – Add to the Agenda, Item number 2. Pledge of Allegiance

Roll was called by Heather Martinez, Gallagher Benefit Services. In attendance were Director Ennis, Director Pacheco, Director Vander Poel, Director Worthley, Director Mendes, and Director Poochigian.

3. Approval of Agenda (A)

Director Poochigian asked if there were any additions or corrections to the agenda. Director Vander Poel moved to approve the agenda with no changes; the motion was seconded by Director Ennis. The motion passed unanimously.

4. Public Comment: At this time, members of the public may comment on any item, within the jurisdiction of the SJVIA, not appearing on the agenda. In order for everyone to be heard, please limit your comments to 3 minutes or less. Anyone wishing to have a specific item placed on the agenda for a future meeting should contact the SJVIA Manager's Office and submit correspondence at least 14 days before the scheduled meeting.

Director Poochigian opened the meeting for public comment – no public comment was given.

5. Approval of Minutes – Board Meeting of February 6, 2015 (A)

Director Worthley moved to approve the February 6, 2015 Meeting Minutes; the motion was seconded by Director Ennis. The motion passed unanimously.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SJVIA Manager at 636-4900 or the Assistant SJVIA Manager at 600-1810. Notification 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility. Documents related to the items on this Agenda submitted to the Board after distribution of the Agenda packet are available for public inspection at the County of Fresno plaza Building, 2220 Tulare St, 14th Floor, Fresno, CA during normal business hours. All documents are also posted online to www.sjvia.org.

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6. Receive and File Quarterly Financial Report through February 2015 (I)

Alan Thaxter, Gallagher Benefits Services, presented the claims summary through February 2015. He pointed out this report includes the new members who joined January 1, 2015 – City of Hanford, City of Clovis, City of Oakdale, City of Hughson, City of Riverbank, and City of Modesto. This now totals 20 entities within SJVIA, including the founding members. Enrollment is continuing to increase year over year and trend is substantially lower than other plans on the market.

7. Authorization of the Release of Proposals for Participation and Execution of Participation Agreement(s) for City of Coalinga and City of Livingston (A)

Alan Thaxter, Gallagher Benefit Services, requested approval to release proposals for City of Coalinga and City of Livingston. Alan verified that both cities meet the new underwriting guidelines. It was announced that the County of Sutter, Sutter Superior Court, and City of Marysville are entering into the SJVIA effective July 1, 2015.

LeRoy Tucker, Gallagher Benefit Services, spoke on behalf of the City of Coalinga stating they have been a Gallagher client for many years. Their medical plan has been running very well. Blue Shield provided a concession for their fully insured medical plan for the past two years. Director Vander Poel, inquired on the trend for Blue Shield of California. The trend is running around 13.9% over the past two years. Vander Poel requested to see the difference between the fixed costs against the fully insured rates. LeRoy explained how they add margin to the fully insured rates. Administratively, the self-funded plans bill more with a majority being built in retention. Fully insured plans estimate 85% will be paid out in claims and the rest in fixed cost. SJVIA is beating the fully insured model by 4% currently.

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Director Vander Poel moved to approve the Release of Proposals for Participation and Execution of Participation Agreement; the motion was seconded by Director Ennis. The motion passed unanimously.

8. Report on Wellness Activities (I)

Paul Nerland, SJVIA Assistant Manager, spoke about the new wellness program with Viverae. The program officially launched on January 1, 2015. The onsite biometric health screenings are scheduled for February through April. The SJVIA is currently negotiating with Viverae in regards to services that were billed and not rendered. A concession is being discussed at the current time. Paul advised the Board about the bio-metric screening discounted price. When the plan was implemented it was anticipated that the \$59.95 included the 35 blood panel test, which is incorrect, this charge is for the 5 panel blood test. Next year the SJVIA will obtain a proposal to include the 35 panel blood test. Current cost is \$95.00 for the 35 panel test through Viverae.

9. Approve Recommended Vendor for Wellness Incentive Fulfillment (A)

Rhonda Sjostrom, SJVIA Manager, confirmed that the participation for wellness challenges are rewarded with incentives. Each member will be able to receive up to two \$50 VISA cards if they meet or exceed both point levels. Director Vander Poel, asked if the County of Tulare remits this through the payroll. This is a taxable remittance. Vander Poel made a point to that this defeats the purpose of having something tangible. Director Worthley, agreed that most County of Tulare employees will not even notice they received an incentive. It was suggested that both Counties distribute the incentives like the County of Fresno. Paul spoke up and said, both Counties are currently working with the Auditor's Department, to see what the taxable guidelines are for distributing incentives. The SJVIA recommendation is to go with Healthy Adventures. This vendor is a non-profit company that works

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directly with the County of San Diego. Michele Mills, Gallagher Benefit Services, inquired on who has the authority to sign an Amendment. Kevin Chicas, County of Tulare Counsel, inquired as well. The Board of Directors decided it should be the Chairperson.

Director Vander Poel moved to approve the Recommended Vendor for Wellness Incentive Fulfillment 5; the motion was seconded by Director Ennis. The motion passed unanimously.

10. Report on Services Cost (I)

Paul Nerland, SJVIA Assistant Manager, explained that the current underwriting guidelines set a minimum group size of 50 employee lives. Underwriting methodology provides for an anticipated claims adjustment for groups with less than 2,000 lives in order to offset the potential for large claims variance. Additionally, new member entity groups (non-founding members) are charged an additional fee Per Member Per Month (PMPM) to help offset the acquisition costs associated with on-boarding these new groups.

11. Adjournment

Meeting was adjourned at 9:49 AM by Director Pochigian.

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