

# MINUTES

## BOARD OF DIRECTORS

ANDREAS BORGEAS  
KUYLER CROCKER  
NATHAN MAGSIG  
BUDDY MENDES  
BRIAN PACHECO  
PETE VANDER POEL  
J. STEVEN WORTHLEY

**Meeting Location:  
Fresno County  
Board of Supervisors Chambers  
2281 Tulare Street, #301  
Fresno, CA 93721  
October 27, 2017 9:00 AM**

1. Call to Order
2. Pledge of Allegiance
3. Roll Call

All Directors Present with the exception of Director Worthley.

4. Approval of Agenda (A)

Motion to approve by Director Mendes; Seconded by Director Crocker;  
Motion approved unanimously.

5. Closed Session CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Gov. Code, § 54956.9, subd. (d)(1)) — San Joaquin Valley Insurance Authority v. Gallagher Benefit Services, Inc., Fresno County Superior Court Case No. 17CECG01632, United States District Court for the Eastern District of California Case No. 1:17-cv-00861-LJO-EPG

***The public may comment on Closed Session items prior to the Board's recess to Closed Session.***

***The remainder of the agenda will be heard following the Closed Session item.***

No public comments.

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6. 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 be placed on the agenda for a specific topic should contact the SJVIA Manager's Office and submit correspondence at least 14 days before the desired date of appearance.

Public comment was made by Sandra Brock.

7. Approval of Minutes – Board Meeting of August 25, 2017 (A)

Paul Nerland, County of Fresno, noted on Page 5, Item 15 of the Minutes that, although there was no mention in the Minutes, there was a correction made to the Agenda Item 15 attachment.

Bordan Darm, Keenan & Associates, went on to explain that the correction to the Board Agenda Item #15 (2018 Final Renewal) attachment occurred on Page 10 under "Specific Stop-Loss Premium PEPM (Estimated)" the identifiers "COT" and "COF" were transposed. This transposition did not impact the underwriting.

Motion to approve by Director Crocker; Seconded by Director Magsig;  
Motion approved unanimously.

8. SJVIA Director questions, Announcements, and Activity Reports (Gov. Code, § 54954.2, subd. (a)(2)) (I)

No Director announcements were made.

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9. Approve Proposed 2018 Board Meeting Calendar (A)

Presented by Paul Nerland, County of Fresno.

For meetings held in Fresno County, there was discussion to change the location from the Fresno County Employee Retirement Association to the Fresno County Board of Supervisors Chambers and that parking arrangements would be made for SJVIA Board Directors and Staff. There was also discussion on possibly rescheduling the February 16, 2018 meeting.

No Public comment.

Motion to accept proposed 2018 Board meeting calendar with change to the Fresno County location by Director Borgeas; Seconded by Director Magsig; Motion approved unanimously.

10. Receive Update from Auditor-Treasurer on Cash Flow Projections (I)

Presented by Ronda Kade, County of Fresno.

Paul Nerland, County of Fresno, notified the Board that Anthem has done a review of the HMO capitation surplus. The amount of the surplus is \$427,450 which will be released back to the SJVIA.

11. Receive and File Auditor-Treasurer's First Quarter 2017-2018 Financial Report (I)

Presented by Ronda Kade, County of Fresno.

Director Magsig commented that a non-current liability is considered a liability that will become due in more than 12 months in the future; however, because one of the loans is due to the County of Tulare in June 2018, that amount should be shown as a current liability. Suggest that the

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Board consider extending the due date of that loan. Comment was made that this will be discussed in more detail under Agenda Item 21.

Director Crocker questioned why there was such a variance in Administration costs, budgeted vs. actual. Paul Nerland responded that budgeted costs were based on what was approved back at the first Board meeting of the year (2017). In this budget, assumptions were made on the rates that were approved and the number of participating entities. Due to changes within the SJVIA, utilizing the current budget has been difficult. Ideally, at the first Board meeting in 2018, a revised budget will be proposed that will take into account new rates and updated enrollment. Paul acknowledged that hours are up due to legal services and that a more detailed report of staffing hours will be provided at the next board meeting.

## 12. Receive and File 2014/2015 Audited Financial Statements (I)

Presented by David Dybas, Price, Paige & Company

Director Magsig questioned the timing of the audit being done more than two years after the end of the fiscal year. Paul Nerland, County of Fresno, commented that there were no responses to the original RFP for audit and that resulted in the delay of the 2014/2015 audit. Ronda Kade explained that an additional RFP has been released and a vendor has been secured. The goal is to have the 2015/2016 financials done by the end of 2017 and be on time for next year.

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13. Receive and File Notification of Member Entities' Intent to Terminate Participation in the SJVIA Effective January 1, 2018 (I)

Presented by Paul Nerland, County of Fresno.

The SJVIA has received official notification of termination, effective January 1, 2018, from the City of Ceres and the City of Waterford.

14. Receive and File Consultant's Report on SJVIA Wellness Activities (I)

Introduced by Bordan Darm, Keenan & Associates; Presented by Robin Rager and Matthew Szenderski, Keenan & Associates.

Public comment by Sandra Brock.

15. Receive and Approve Consultant's Report and Recommendation for Vendor to Perform Audit on 2016 and 2017 PBM Claims Through Envolve Prescription Solutions (A)

Presented by Bordan Darm, Keenan & Associates.

Public comment by Sandra Brock.

Motion to approve TFG Partners by Director Crocker; Seconded by Director Mendes; Motion approved unanimously.

16. Receive Update on the County of Tulare's Kaiser Senior Advantage Rates (A)

Presented by Bordan Darm, Keenan & Associates.

Motion to approve recommendation by Director Magsig; Seconded by Director Borgesas; Motion approved unanimously.

17. Receive Update on the County of Fresno's EPO Anthem Admin Fee (A)

Presented by Bordan Darm, Keenan & Associates.

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Director Magsig commented that despite the small dollar increase in the EPO administration fee, overall the SJVIA will still see significant savings in changing from an HMO to an EPO. Director Magsig went on to say that he appreciates the transparency. Bordan responded that corrective measures have been implemented to avoid errors in the future.

Motion to approve recommendation by Director Crocker; Seconded by Director Mendes; Motion approved unanimously.

18. Receive and Approve Recommendation to Implement Pricing Code Changes for Non-Participating Professional Services on the County of Fresno's Anthem PPO 250, HDPPPO 1500, HDPPPO 3000 Plans, and City of Marysville's Anthem PPO 250 Plan, Effective with the 2018 Plan Year (A)

Presented by Hollis Magill, County of Fresno.

Public comment by Sandra Brock.

Motion to approve by Director Mendes; Seconded by Director Magsig; Motion approved unanimously.

19. Receive and File Consultant's Medical, Dental, and Vision Experience Reports Through August 2017 (I)

Presented by Bordan Darm, Keenan & Associates.

20. Receive Update on the Reinsurance Program and Risk Share Arrangement Plan Renewal for Plan Year 2018 (I)

Presented by Bordan Darm, Keenan & Associates.

Director Vander Poel asked whether quotes were being received for County of Tulare and County of Fresno separately. Bordan clarified that quotes were being requested for separate levels for each County, but would remain under one contract.

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### 21. Receive and File Consultant's Report on Loan Repayment (I)

Presented by Bordan Darm, Keenan & Associates.

Bordan Darm presented three initial loan repayment options as a starting point to repay loans made by both Tulare and Fresno Counties. There was discussion and agreement amongst the Board that the preference would be to design a loan repayment policy that was reasonable without a surcharge to employees. Director Pacheco suggested utilizing the 2018 plan year to watch projections of reserves in order to factor those into the repayment policy and delay any loan repayments during this time.

Direction to the Staff is to go back to each County Board to push back due dates of loan repayments and revise the Agreements to be consistent with the dollar for dollar repayment to both Counties. Director Vander Poel also requested that the language have some flexibility to account for the possibility of one of the Counties leaving SJVIA.

### 22. Receive Consultant's Update on Upcoming SJVIA Strategy Meeting (A)

Introduced by Paul Nerland, County of Fresno. Presented by Bordan Darm, Keenan & Associates.

Motion to appoint Director Magsig and Director Worthley to participate in the upcoming SJVIA strategic planning meeting by Director Borges;  
Seconded by Director Mendes; Motion approved unanimously.

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23. Approve and Authorize the President to Sign a Resolution Establishing a Policy of the SJVIA for Sharing Information With its Members. (A)

Presented by Peter Wall, County of Fresno.

Motion to approve by Director Crocker; Seconded by Director Borgeas;  
Motion approved unanimously.

24. Adjournment

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