

Tri-County Schools Insurance Group

Executive Committee Meeting

Thursday, January 17, 2008

Yuba City Corporation Yard

1185 Market Street

Yuba City, CA 95991

Executive Committee Members Present

Colusa County	Daena Meras, Ron Turner
Glenn County	None
Modoc County	Lane Bates
Placer County	None
Plumas County	Cameron Abbott
Sierra County	Sue Roberts
Sutter County	Larry Combs, Jeff Holland, Baldev Johal, Charlie Reimers (EBAC), Ryan Robison
Tehama County	Georgene Neher, Kathleen Wheeler
Yuba County	Al Alt, Dione Beilby (EBAC), Debra Pearson

Consultants and Others Present

Delta Health Systems	Joe Neff
Perry-Smith	Tina Treis
Sierra Self-Insurance Services	Michael Krill
TCSIG	Richard Hare, Roberta Womer
Turner Consulting	David Turner
Wells Fargo	John Klein

A. Call to Order

President Robison called the meeting to order at 9:34 a.m. He noted that a quorum of the Executive Committee was present.

B. Comments from Visitors

President Robison asked if there were any comments from visitors.

There were no comments from the visitors.

C. Consent Agenda

C1. Approval of Minutes of November 8, 2007

C2. Approval of Payments for November and December 2007

Mr. Ron Turner made a motion to approve the Consent Agenda. Ms. Daena Meras seconded the motion which carried.

D. Reports

D1. President's Report

President Robison indicated that a Committee would be established to prepare nominations for the Executive Committee to become effective July 1, 2008..

D2. Executive Director's Report

Mr. Hare reported that the Red Bluff Union High School's certificated and classified staff had submitted their intent to withdraw from Tri-County Schools Insurance Group effective June 30, 2008. This withdrawal consists of approximately 210 employees.

Mr. Hare reported that the Granlibakken had returned the \$500 deposit that Tri-County Schools Insurance Group had requested that they return.

Mr. Hare stated that the Planning Meeting would be held October 15, 16 and 17 at the Embassy Suites in South Lake Tahoe. He indicated that the members should arrive the evening of the 15th, meet all day on the 16th and conclude the meeting the morning of the 17th.

Mr. Hare reported that his staff had sent out the FPPC's Form 700, Statement of Economic Interest, which needs to be filed each year for each of the Executive Committee members, their alternates and the members of the Board of Directors.

Mr. Hare reported that his staff had sent to each of the member employers a reminder of the requirement to file the CMS Disclosure. He stated that each member could file their own disclosure online or that if the information outlined in his letter were provided to his office, the disclosure could be done on behalf of each employer.

Mr. Hare reported that IHS (Interactive Health Solutions) was in the process of scheduling the next session of the free health screening evaluations. He note that in order to avoid having any ineligible individuals participate in the evaluations, that members would be required to provide their white, Tri-County Schools Insurance Group medical I.D. card.

Mr. Hare stated that he had been meeting with Blue Cross and Delta Health Systems in order to make available to the members the Blue Cross of Nevada Network of providers. He indicated that the change would become effective January 1, 2008.

D3. Mr. Hare reviewed financial statements. He reported that all programs were doing well.

E. Information and Discussion Items

E1. Pharmacy Benefit Management Request for Proposals

Mr. Hare reported that PBA to audited out current contract with NMHC to determine if they were in compliance with our contract. It was noted that they were for the most part. However, some areas such as mail order needed improvement. He noted that the NMHC contract is up 06/30/08; therefore, we have started the RFP process to select a PBM. He stated that 61 PBM RFPs have been sent out. Mr. Hare requested that a committee be form to review finalists so a recommendation can be made by the March 20th meeting of the Executive Committee. Mr. Hare also stated that Tri-County Schools Insurance Group had applied and received its own BIN number. He indicated that having its own BIN number should make any transition from one PBM to another much smoother.

President Robison called for volunteers to participate in the committee to select a PBM. Ms. Dione Beilby, Ms. Debra Pearson and Mr. Joe Neff will serve on this committee.

E2. Annual Independent Audit Request for Proposals

Mr. Hare stated that although Perry-Smith has done an outstanding job as Tri-County Schools Insurance Group's independent auditor, it was prudent to send out RFPs for auditing services at this time. Mr. Hare indicated that a committee was needed in order to review the RFPs for audit services.

President Robison called for volunteers to participate in the committee to select an audit firm. Mr. Larry Combs, Mr. Jeff Holland and Ms. Daena Meras will serve on this committee.

F. Action Items

F1. Addition of Licensed Acupuncturist to Definition of Practitioner and Physician/Practitioner Services

Mr. Hare indicated that currently the medical plans allow for acupuncture treatment for pain management provided these services are performed by an M.D. or an D.O. Mr. Hare noted that in order to have more providers available to perform this type of treatment, he is recommending that the Plan Documents be amended to include Licensed Acupuncturists as covered providers.

Ms. Georgene Neher made a motion to amend the Plan Documents to include Licensed Acupuncturists as a covered provider. Dr. Kathleen Wheeler seconded the motion.

A general discussion ensued concerning the impact on the medical plans. Mr. Hare indicated that the cost for treatment from a Licensed Acupuncturist is approximately \$40 to \$50. Mr. Joseph Neff pointed out that this service was covered by Medicare and Worker's Comp. Mr. Jeff Holland stated that the amendment should also include Chiropractors who perform acupuncture. Mr. Larry Combs suggested a one-year study be included to determine the impact on the Plans.

Ms. Georgene Neher amended her motion to include the services of a Chiropractor and a one-year trial period. Dr. Kathleen Wheeler seconded the amended motion which carried with one opposing

vote.

Mr. Hare stated that the amendment would become effective February 1, 2008.

F2. Annual Independent Audit Report

Ms. Tina Treis, senior partner with Perry-Smith, reviewed the audit report. Ms. Treis noted that the total assets increased by nearly \$5 million from June 30, 2006 and that the total liabilities decreased by \$1.8 million for the same period which places Tri-County Schools Insurance Group in a very stable position. Ms. Treis also reviewed Tri-County Schools Insurance Group's historical financial information including total assets by program, unpaid claims by program, net assets/deficit by program member contribution by program and net income/loss by program.

Ms. Treis distributed an outline concerning Statement on Auditing Standards No. 104 – No. 111. She indicated that these standards would be implemented as of June 30, 2008 for a more rigorous audit.

Ms. Treis also noted that Lynn Whitlock, the accountant for Tri-County Schools Insurance Group, did an excellent job in preparing and assisting in the audit.

Secretary Alt made a motion to accept the independent audit as presented. Ms. Debra Pearson seconded the motion which carried.

F3. Resolution EC/2008-001, Adopting Investment Policy for 2008

Mr. Hare reviewed the background of this item. He indicated it was necessary to adopt this resolution each year.

Dr. Kathleen Wheeler made a motion to adopt Resolution EC/2008-001, Yuba County Treasurer's Statement of Investment Policy. Secretary Alt seconded the motion which carried.

Vice-President Johal requested information concerning the amount Tri-County Schools Insurance Group paid for the investment services of the Treasurer's Office.

F4. Consider Formation of a 501c3 Non-Profit Foundation for Educational, Wellness Promotion, Risk Management and Research Purposes.

Mr. Hare reviewed the background of this item. He indicated that the formation of a non-profit foundation could be beneficial to the membership in offering vendors and healthcare professionals an opportunity to assist Tri-County Schools Insurance Group in the education of its membership workshops, seminars and printed materials. Mr. Hare also indicated that the formation of a non-profit foundation would allow Tri-County Schools Insurance Group to apply for grants.

Dr. Kathleen Wheeler made a motion to authorize staff to proceed with the formation of a 501c3 foundation. Ms. Georgene Neher seconded the motion which carried.

The consensus of the Executive Committee was that they would be the governing body for the

foundation.

G. Closed Session

President Robison called for a Closed Session at 10:35 a.m.

H. Return to Open Session

President Robison called for an Open Session at 12:50 p.m.

President Robison reported that no action was taken in Closed Session.

I. Items for Next Agenda

None

G. Adjournment

President Robison called for a motion to adjourn. Dr. Kathleen Wheeler made a motion to adjourn. Secretary Alt seconded the motion which carried. President Robison adjourned the meeting at 11.35 p.m.

Respectfully submitted,

Roberta Womer
Recorder
01-17-08